# Daily Report

# Latin America

FBIS-LAT-93-247
Tuesday
28 December 1993

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*FBIS-LAT-93-247* *28 December 1993*

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## Cuba

### GRANMA Reports on Central Committee Plenum

*PA2312145493 Havana Radio Havana Cuba in Spanish 1300 GMT 23 Dec 93*

[From the "Morning Information Review"]

[Text] GRANMA daily newspaper publishes an extensive front-page report on the Fourth Plenary Meeting of the Central Committee of the Communist Party of Cuba [PCC], over which First Secretary Fidel Castro presided. The plenary meeting was held on 20 December to examine the country's economic situation over the past year. The Central Committee called this year the most difficult in the revolution's history, but added that it allowed Cuba to evaluate its strengths. The plenum noted that the country upheld its health and education levels, made investments in the more important areas of the economy, strictly implemented necessary measures such as the creation of Basic Cooperative Production Units [UBPC], and maintained defense readiness amid overwhelming difficulties and shortages.

The plenary meeting studied the conditions for 1994 and the country's potential to overcome the challenges. The committee also assessed the progress of the sugar harvest. Fidel Castro called on the plenum to maintain a day-by-day watch on the process to ensure a near perfect conclusion. Regarding the work of the Agricultural Ministry, the committee stressed the need to optimize the use of available resources and prioritize the installation of the UBPC.

One of the issues receiving the most attention at the Fourth Plenary Meeting of the Central Committee of the PCC was the need to reduce the amount of currency in circulation. The leaders stressed the importance of finding ways to achieve this from a political point of view rather than a technocratic point of view. The party's leader pointed out how crucial it is to maintain strict control and discipline in the economic process under the new conditions being implemented. He reaffirmed that the economic measures the country has taken must be applied rationally, seeking to protect national interests and to ensure that the state has the resources it needs to maintain the revolution's achievements.

### ANPP Second Regular Session Begins 27 Dec

*FL2712144493 Havana Radio Progreso Network in Spanish 1200 GMT 27 Dec 93*

[Text] A broad and in-depth analysis of the country's economic and financial situation will be conducted during the second regular session of the National Assembly of the People's Government [ANPP], which will begin at 1500 GMT today at the Convention Center. It was learned a few hours ago that the ANPP was not summoned to approve specific measures, but for the deputies to discuss, as a group, the steps being taken in the economic field and those that should be taken in the future to contribute to the improvement of the country's finances as well as to promote efficiency. The deputies will also discuss reports to be presented by the Ministry of the Sugar Industry on the sugarcane harvest and the Havana Provincial Assembly on plans that are underway in that area.

Several ANPP permanent work commissions met on Sunday and deputies attended an exhibit marking the 35th anniversary of the triumph of the Cuban Revolution at Expo-Cuba.

### Castro Attends

*FL2712161793 Havana Radio Reloj Network in Spanish 1602 GMT 27 Dec 93*

[Text] Commander in Chief Fidel Castro, president of the Councils of State and Ministers, is attending the second regular session of the Fourth Legislature of the National Assembly of the People's Government [ANPP] underway at the Convention Palace in Havana. ANPP President Ricardo Alarcon de Quesada, ANPP Vice President Jaime Crombet, and ANPP Secretary Ernesto Suarez are presiding over the session during which the deputies will hear, discuss, and analyze important economic matters. During this regular session, the deputies will also review the Havana Province progress report and will discuss matters regarding the sugar industry and sugar cane harvest. The deputies will also discuss and approve draft bills issued by the Council of State while the ANPP was not in session.

### Castro, Sugar Industry Minister Speak

*FL2812023393 Havana Radio Rebelde Network in Spanish 1800 GMT 27 Dec 93*

[Text] Today deputies have been evaluating the issue of the recovery of the sugar industry. If we want to have more sugar, we need to have more sugarcane. That is why the ministry's main task is to take steps now to obtain the volume of sugarcane we need. Those remarks were made by Nelson Torres, minister of the sugar industry [Minaz], during this session of the National Assembly of the People's Government.

[Begin Torres recording] The greatest effort has to be made in planting sugarcane. We need to increase the volume, despite the extraordinary circumstances and the shortages of fundamental resources. Our goal must be to plant 60,000 caballerias of sugarcane in the next two years—no less than 30,000 caballerias per year. This must be done with quality and efficiency, which means we must not waste resources. This will be a decisve factor in the recovery of the sugar industry. [end recording]

Torres explained that the sugarcane plantations have better conditions and that alternatives are being used in face of the shortage of fertilizers. Some of these alternatives are derivatives of the sugar industry, such as ashes [cenizas], rum [cachaza], and liquid residues, as well as the use of animal-powered equipment. Nelson Torres went on to say that the Basic Cooperative Production

Units [UBPC], along with the Agricultural-Livestock Cooperatives, credit and services, and the support that the Youth Labor Army [EJT] has given to the sugar industry, have allowed the job to get done. The debate began when Torres concluded his remarks. Deputy Orlando de la O, president of a People's Council in Havana City, expressed his opinion:

[Begin De la O recording] What we would like to know, from the work carried out by the Minaz and by the permanent comission that visited and worked so efficiently over this period of time, is the effectiveness of the workforce that did not belong to the Minaz which joined the past harvest. To what degree are we, the deputies and the administrative leaders, together with the party, undertaking the solution of a problem that is an object of concern for our people today? [end recording]

The question asked by Deputy De La O on behalf of the citizens he represents in the ANPP has an answer in other measures and the already implemented project of the UBPC's, which in a very short period of time have demonstrated that they are more efficient, have greater technological discipline, and, above all, have achieved a great reduction in production costs.

In December alone, for example, the Minaz cut back 9 million pesos in salaries in comparison with the same period of 1992. The quality of the current crops, the weeding, and the strategy regarding the use of fuels guarantee that the work of these new economic-agricultural entities will be stimulating. That is why Fidel said that this topic should be cleared up. He is speaking right at this moment.

[Begin Castro recording] It would seem that this enormous effort is being done with the aim of eliminating subsidies. That is not true. The goal is something else. I believe that this should be brought up. To conduct an efficient harvest and achieve an increase in the production of sugarcane is a vital need for Cuba's economy in the current times. That is the most important thing. It is a basic step...[end recording]

At the moment Fidel is commenting on the recovery of the sugar industry. These have been some of the highlights of the second session of the ANPP.

## Castro Views U.S. Administration, Socialism

*AU2712183593 Hamburg DIE WOCHE in German 22 Dec 93 p 24*

[Interview with President Fidel Castro by Jas Gawronski, editor of the Italian newspaper LA STAMPA and member of the European parliament; place and date not given: "'Clinton, Man of Peace'"]

[Text] [Gawronski] Commander, one still talks of "revolution" and "socialism" in Cuba, as if nothing had changed over the past few years. Thirty-five years later, do these terms still have the same meaning that they once had for you?

[Castro] Today, these terms simply cannot have the same meaning for two reasons: First, we had a very ambitious program and we have largely realized it so far; second, the international situation has indeed fundamentally changed. Nevertheless, we still remain faithful to our ideals, our social and political goals.

[Gawronski] However, has the collapse of communism in those countries in which power was in the hands of communists not made you consider whether something should not change in Cuba too?

[Castro] In my mind, communism destroyed itself. If communism committed suicide in the Soviet Union, that does not, however, mean that we have to follow suit. The defeat of communism surprised everyone—it surprised us just as much as it surprised you in the West. All those great values on which society was founded were destroyed. I still believe that Lenin and the October Revolution genuinely assumed lofty goals of historic importance and that the Soviet Union performed unbelievably great services for mankind; something that cannot be overlooked either is that the Soviet Union had a leading role in the struggle against fascism and the liberation of the old colonies. I still maintain that the USSR and socialism should not have been destroyed but rather improved.

[Gawronski] What does all of that mean for Cuba today?

[Castro] The disappearance of the socialist camp was a severe blow to us. The embargo is still in force, but the support is gone! We are being subjected to one of the most difficult tests ever. Nevertheless, we have never doubted that we should follow our own path. We have proved that we are not a satellite, but a star that shines thanks to its own energy. Apart from that, neither China or Vietnam have followed the Soviet path of self-destruction. So much is being said about the disappearance of socialism in the USSR, but so little is being said about its survival in China.

[Gawronski] Is China the new, shining example?

[Castro] One should learn from examples: The Chinese themselves say that one should not imitate things according to some fixed model. One of the criticisms that they have leveled against themselves is that in the past, they used Soviet experience in a mechanical manner. However, if we are on the subject of socialism, then you should not forget that in socialist China mass starvation and poverty are a thing of the past. Recently, Chinese President Jiang Zemin paid a visit to Havana. He is an intelligent, educated, and understanding person—he really impressed me.

[Gawronski] However, even if China wants to remain socialist, it is also trying to change the economy. Cuba on the other hand insists on socialist principles.

[Castro] I am convinced that China and Vietnam are still socialist nations. There is no pure theory. There are many private forms of ownership in Cuba. There are

thousands of private farmers: In Europe they would be described as large landowners, because they possess over 100 hectares of land. Every Cuban owns his own home. However, all that does not mean that Cuba is no longer a socialist country. We welcome foreign investment without it changing Cuba's socialist character. We will not change the character of the country simply in order to introduce something new.

[Gawronski] However, this socialism that is highly praised in Cuba is always identified with you personally. What will happen to socialism in Cuba when you are no longer here?

[Castro] Socialism cannot be identified with me personally—I did not invent it! When I was student, I studied the political economy of capitalism. Because I could not understand the contradictions, distortions, and injustices of capitalism, I became a utopian socialist. However, I never developed the idea that I should be identified with socialism. That would be too great an honor for me, an honor at the expense of the socialist theoreticians!

[Gawronski] I recently listened to a speech in which you talked of the United States with a touch of admiration or at least recognition.

[Castro] I have always recognized the achievements of the American people. One should not forget that the United States was also a colony once and waged a struggle to achieve independence. I always admired Lincoln and I have considered Franklin D. Roosevelt a great statesman since my youth.

Or let us take Kennedy. He was the one who imposed the embargo against Cuba and was president when many assassination attempts were planned against me. Yet I harbor no negative feelings toward him. I concede that he was a dynamic, intelligent man who possessed excellent qualities.

[Gawronski] My apologies for interrupting you, but how many assassination attempts have you actually survived?

[Castro] Were it an Olympic discipline, then I would have won a gold medal by now! I have survived hundreds of such attempts—some were organized directly by the CIA and others were inspired, coordinated, and paid for by the CIA. That has been the case for 30 years and I am still alive, even if on several occasions they were very close to eliminating me. However, I do not give it much thought, and sometimes I almost find it amusing.

[Gawronski] There have been eight U.S. presidents during the time you have been in power. Clinton is the first president who is younger than you. Things change, and that also applies to relations between Cuba and the United States. Is there a possibility of improving those relations and have there already been initiatives in that direction?

[Castro] U.S. presidents are all slaves of many masters, including the election campaigns in which they have to make many statements and assume many obligations. Unfortunately, Clinton made very hostile statements regarding Cuba. He even came to an arrangement with Congressman Robert Torricelli, who introduced a law toward the end of the Bush administration that made the boycott of Cuba tougher and harsher. At the moment, there are lower level negotiations with the United States on such subjects as the problem of immigration.

I do not consider Clinton to be a warmonger of a president, but a man of peace who wants to achieve something for the American people. It is difficult for me to talk about Clinton, because if I say something good about him, his friends become worried. I have noticed that he is very susceptible to pressure from conservative circles and that he often changes his position on certain subjects as a result of that pressure. He is undoubtedly still undergoing a learning process, and life is an excellent teacher.

Kennedy learned a great deal from the failed "Playa Giron," [preceding words in Spanish], Bay of Pigs landing, a plan that he inherited from Eisenhower and Nixon. Later, he understood that it was a mistake to underestimate Cuba and its revolution by carrying out that mercenary adventure against Cuba.

[Gawronski] Is it true that Khrushchev called for a nuclear first strike during the missile crisis?

[Castro] The situation at the time was incredibly tense because we expected a U.S. invasion at any hour. After we had made all the necessary defensive preparations, I decided to write to Khrushchev. I wanted to convince him to remain steadfast and not to lose heart. I personally delivered the message to the Soviet ambassador on 26 October. He barely spoke Spanish and there was no interpreter, so I repeated every word, every sentence, and every assessment several times. He wrote everything down, but I do not know what he actually communicated to Khrushchev.

[Gawronski] Did Khrushchev reject your suggestions?

[Castro] He did not have time to respond, because the crisis suddenly reached a peak. An American U-2 spy plane was shot down from a Soviet missile base in the eastern part of Cuba. It was an incident that was never satisfactorily explained. The facts are that a few days later, Khrushchev wrote to me and complained that I had suggested a nuclear attack in the middle of the crisis. That was completely wrong—that was not what was contained in the demarche that I handed over to the Soviet ambassador. However, that shows what he took to be the meaning of the message. So, I wrote a message to Khrushchev in which I stated on my honor that these accusations lacked any kind of foundation. My position was: If your enemy begins a war, you should not give him the opportunity of delivering the first blow.

[Gawronski] But Commander, why should the United States have found it necessary to employ nuclear weapons against Cuba?

[Castro] The fact of the matter is that there were tactical and strategic nuclear weapons based in Cuba. The situation was very tense. At the time, I said to myself that I do not want a nuclear war, but I am convinced that such a war will take place if there is an invasion. The Soviets' position was—and Khrushchev repeated that to me on several occasions—that any war between the United States and the Soviet Union would become a nuclear war. That was Soviet military doctrine.

[Gawronski] How did the Soviets actually arrive at the decision to base missiles in Cuba?

[Castro] They made the suggestion. Shortly after the Bay of Pigs, the Soviets told us that according to their information, Cuba was in great danger. They then sent a high-ranking delegation that suggested stationing the missiles on Cuba. I told them that I had to speak to my comrades first. We agreed for two reasons: First, the missiles would strengthen the USSR's strategic position and that would also mean protection for us. Second, we also had to be prepared to bear part of the risk if we wanted the Soviet Union to protect our interests.

That is why we signed a military treaty. I believe that we should have made the treaty public as if it were one of the most natural things in the world. It was a completely legitimate case of self-defense. However, Khrushchev decided to deceive Kennedy, which put him in the right in moral terms and allowed him to present himself to the world as someone who had been deceived by Khrushchev.

[Gawronski] This is just to satisfy my own curiosity: Commander, why do you always wear a guerrilla uniform? The heroic days of the Sierra Maestra already belong to the past!

[Castro] It is the clothing that I have worn all my life: comfortable, simple, costs little, and never goes out of fashion. I do also own some formal clothing, ties and so on. But excuse me, during your interview with the pope, did you ask him why he always wore white?

## Gen Escalante on Kennedy Assassination

*FL2312144093 Havana Tele Rebelde Network in Spanish 0133 GMT 21 Dec 93*

[Interview with General Fabian Escalante, director of the Central Political Directorate of the Interior Ministry, by reporter Soledad Cruz in Havana, date not given; monitored in progress—recorded; from special segment of "This Very Day" program entitled "A Closed Case?" first three paragraphs are introduction]

[Text] [Host] ...minutes, or perhaps seconds, the documentary "A Closed Case?"—with a question mark, because there is obviously much to prevent one from being able to say that the case is closed. This is a matter of...[pauses] it is a conversation that our colleague Soledad Cruz had with General Fabian Escalante.

In the course of his career, Escalante has had to deal with, had to study matters related to the presidential assassination that took place in Dallas, and everything seems to indicate the same threads—and possibly the same hands—behind the attempts to assassinate President Fidel Castro were the hands that carried out the assassination in Dallas of President John F. Kennedy.

In short, these are speculations on my part. See for yourself, now, in just a few seconds, with this "A Closed Case?" material.

[Cruz] Thirty years after the assassination of John F. Kennedy in Dallas, the matter continues to give rise to arguments and controversy all over the world. The U.S. press has recently carried numerous articles on the matter. Was it really a sole marksman? Was there a single assassin?

Fabian Escalante, whose rank today is division general, who was at one time the head of Cuban security, and who has, at various times in his life, been connected to the investigation of the Dallas events, recalls that afternoon in the fall of 1963.

[Escalona] We were here. Precisely, one of our state security offices used to be here. I remember that that afternoon we were analyzing a case that was connected to the U.S. naval base at Guantanamo, and we heard the news like everyone else: over the radio. I remember that we were all startled.

[Cruz] Weren't you happy to hear the news?

[Escalante] No, certainly not, because a man had died, a man had been brutally assassinated—even if that man happened to be the President of the United States, happened to be our enemy.

I remember that after we absorbed the news, we all became frightened because it immediately occurred to us that the assassination might serve as the motive for military aggression against Cuba, which the United States had sought for such a long time.

[Cruz] And [words indistinct] reasons to think that?

[Escalante] Since 1961, before the Bay of Pigs, and especially at the time of the mercenary attack on the Bay of Pigs, the United States had an ultrasecret force that, pretending to be Cuban troops, was to attack the U.S. naval base at Guantanamo, giving the U.S. Government a reason to intervene and help the mercenary brigade.

I remember that afterwards, two days after the assassination of President Kennedy, on 24 November, Fidel made a speech, and things already began to become more clear.

I remember perfectly well when Fidel, in expressing one of his arguments, read a press cable with a Miami dateline in which counterrevolutionary journalist (Sergio Carbaud) practically prophesied three days before the fact that Kennedy was going to be assassinated, saying

that extremely important changes in U.S. politics were about to occur, changes that would oblige Washington to change its direction.

[Cruz] Was it here that Cuban security got the first indications of the conspiracy?

[Escalante] Look, we worked here on these premises from 1963 to 1966. This is where my office was. My office was in this room. And it was here, in 1965, while working on the case of the spy Rolando Cubelas, that the first indications, the premonition we had had in 1963 that there was a desire to involve Cuba in the murder of U.S. President John F. Kennedy, began taking shape, began turning into a reality.

That was when we found out that on the day Kennedy was assassinated—22 November, 1963—a CIA officer in Paris handed over to Cubelas a pen that had a poisoned dart in it to assassinate Fidel Castro.

[Unidentified speaker in English] On the day Kennedy was killed—November 22, 1963, a case officer from the CIA was offering a ballpoint pen to a CIA agent to be used to kill Castro, a pen which had (?been) converted by a medical doctor into a hypodermic, which was to be used to (?maybe) inject some poison into Castro if the agent could get close enough to him.

[Escalante] At that time we asked ourselves: Why is it that at the very moment President Kennedy is being assassinated the final touches are being given to a plan to assassinate Fidel Castro? Our best answer was that Kennedy was not to be the only victim and that Fidel's assassination was included in that plan. Kennedy dead and Fidel assassinated was motivation enough, and left open the possibility of militarily attacking Cuba and overthrowing the Cuban Revolution.

[Unidentified speaker in English] You cannot run secret intelligence operations and go around telling the world about them, including anything as open as the Warren Commission, and expect to have any operation left.

[Cruz] And that was when the investigations began?

[Escalante] That was when we began investigating.

[Cruz] The investigations confirmed your suspicions.

[Escalante] I would say that our suspicions became truth. Immediately after the assassination a huge press campaign was launched accusing Cuba and the Soviet Union of encouraging Lee Harvey Oswald and potential assassins of the President of the United States.

[Unidentified speaker] [President Lyndon B.] Johnson, himself a conspirator, always suspected that the Cubans were behind the assassination. NEWSWEEK magazine.

[Escalante] At that moment we began to investigate. It was a long investigation, conducted in various stages. As the investigations progressed throughout all these years, much information was gathered and processed and little by little we put together the puzzle you are talking about. We reached the conclusion that the operation to involve Cuba in President John F. Kennedy's assassination, and in which Lee Harvey Oswald participated, was an operation mounted in six stages and developed in three countries: the United States, Mexico, and Cuba.

The first stage was to build a pro-Castro background for Oswald. To do this they sent him to New Orleans in April 1963. While in New Orleans, Oswald created a committee for fair treatment of Cuba. The committee had only one member: Lee Harvey Oswald. While in New Orleans, Oswald distributed proclamations and had a confrontation with Cuban counterrevolutionary (Carlos Greenguier). This confrontation was exploited by the media in New Orleans and during a radio talk show (Carlos Greenguier) and Oswald debated issues. Oswald declared himself a convinced Marxist-Leninist. In this manner, the background that Oswald supported Cuba was established.

[Unidentified speaker in English] Are you a Marxist?

[Oswald in English] Well, I have studied Marxist philosophy and I have also studied other philosophers.

[Unidentified speaker in English] But are you a Marxist? I think you did admit on an earlier radio interview that you consider yourself a Marxist.

[Oswald in English] I would very definitely say that I am a Marxist. That is correct. That does not mean, however, that I am a communist.

[Cruz] By the way, as far as Cuban Security is concerned, who is this Oswald?

[Escalante] Soledad, Oswald was a former CIA agent. Oswald was recruited in 1957 when he joined the U.S. Marine Corps. He was sent to an ultrasecret U.S. base in Japan. The name of the base was Atsugi. The secret flights of the U-2 spy planes over Soviet territory were controlled from this base. While at the base, Oswald was trained to operate radar and he also learned Russian.

In August 1959, Oswald was transferred to El Toro U.S. Marine Corps Base in California. He worked there for several months. In October 1959, Oswald suddenly requested his discharge and headed for New Orleans where he boarded a ship to England. From England he flew, via Helsinki, to Moscow where a few days later he requested political asylum. In the beginning, the Soviets denied him the asylum he was requesting. There was no reason to grant him asylum. However, Oswald went to the U.S. Consulate in Moscow, tore up his passport, declareed himself a convinced communist, went back to the hotel where he was staying, and tried to commit suicide. Following these actions and, I believe, after providing information to Soviet intelligence, Oswald convinced the Soviets, and he was given a permit to reside in the country temporarily. Oswald was sent to Minsk, in Belarus. He stayed there for approximately two years. He married Marina and they had a baby girl.

In early 1962, Oswald began to plan his return to the United States. He once again showed up at the U.S. Consulate in Moscow, requested a new passport for himself, his wife, and his child. The U.S. authorities gave him his passport in June 1962. However, they not only renewed his old passport which he had torn up in a theatrical gesture, but also paid his way back. In July 1962, Oswald was in New York. From New York he went to Dallas and once in Dallas, found a job. Quite coincidentally, that job was at a weapons factory. Oswald stayed in this job until April 1963 when he was sent to New Orleans to build the pro-Cuban background for himself.

I must add that his New Orleans contacts were two very well known CIA agents: (Hood Bannister), who had already organized a group called Friends of the Democratic Cuba; and his childhood friend, a CIA veteran, (David Ferrey). These two men were the godfathers Oswald contacted and who helped him create his background as a supporter of the Cuban Revolution.

The development of the second stage began in Dallas in September 1963 when Oswald, together with two Cuban counterrevolutionaries—who during our investigation were identified as the brothers (Ignacio and Guillermo Novo St. Paul)—visited a counterrevolutionary activist, Silvia Odio. During the meeting, the two Cubans told Silvia that the North American, Leon Oswald—which was the name they gave to Silvia—was ardently anti-Kennedy and that according to Oswald, Cuba's problems could only be solved once Kennedy was annihilated.

According to the U.S. investigations—in this case, investigations by a committee appointed by the House of Representatives and by the Warren Commission—after President Kennedy was assassinated, Silvia Odio testified that in September 1963, two Latin men who looked Cuban, and a North American who spoke no Spanish and who said his name was Leon Oswald, had visited her at her home and asked for her help in writing letters to Dallas businessmen, asking them for money for the struggle against the Cuban Revolution. Odio added that during that meeting, one of the Cubans mentioned that the North American was ardently anti-Castro [as heard]. She was told he was a former Marine and expert sharpshooter who believed that Cuba's problem would be solved once Kennedy was eliminated. Evidently, the only explanation we can give this meeting is that at that moment they were looking for a witness who, following the assassination, would identify Oswald as having ties with Cubans.

Another mysterious meeting took place in those days. CIA agent David Philips, who had already been appointed the official responsible for anti-Cuban operations in Mexico City; and well-known terrorist (Antonio Vessiana) met with Lee Harvey Oswald. (Antonio Vessiana) described this meeting to one of the investigators appointed by the U.S. House of Representatives. The reason for the meeting, however, was not disclosed. During our investigations, we reached the conclusion that the meeting was held to coordinate plans for recruiting a Cuban official at our embassy in Mexico City. This Cuban official was Guillermo Ruiz, our commercial attache at that time. Ruiz' wife and (Vessiana) were cousins. They wanted to recruit this couple, have them defect and testify that Lee Harvey Oswald was a Cuban intelligence official.

As you well know, no experienced case officer, from the CIA or any other intelligence organization, for that matter, asks two agents to meet with him at the same time, especially when the two are conducting separate operations.

The third stage began in late September, 27 September 1963 to be exact, when Lee Harvey Oswald visited our consulate in Mexico City to request a visa. According to Oswald, it was a transit visit to travel to the Soviet Union. He filled out the request for a visa and included the six photographs. In his request, he stated that he wanted to stay in Havana for six or more weeks and that he wanted to learn about the Cuban Revolution because, in New Orleans, he was an activist who defended the Cuban Revolution. His real reason for requesting the visa, which was denied, was to travel to Cuba, stay there for a few days so that after the assassination, the evidence would show that two months before the assassination he had been in Havana where he had participated in the planning of Kennedy's assassination.

[Unidentified speaker] Letter from the Cuban Ministry of Foreign Relations to the Cuban Embassy in Mexico City dated 15 October 1963:

Dear Comrade:

In regard to the transit visa requested by U.S. citizen Lee Harvey Oswald, please be advised that issuance of same cannot be authorized until he advises us, via telegram with a prepaid response, that the [word indistinct] Embassy has issued his visa.

With revolutionary greetings of free fatherland or death, I remain,

Fraternally

Juan Nilo Botero, Director.

[Escalante] There is an important detail that I wish to mention. Oswald went to the Cuban Consulate three times, twice in one day and then again on 28 September. The first time Oswald went to the Cuban Consulate, he met with Mexican secretary Silvia Duran. She filled out the papers he needed and asked him for the photographs. Oswald returned to the Consulate and asked for a meeting with Cuban Consul (Eusebio Aque). He spoke to the consul and insisted that he needed that transit visa, that it was very important for him to get it. Oswald even told the Cuban official that the Soviets would probably issue him his visa in Havana. (Eusebio Aque) told him that it was not possible and that he should return to the Soviet Embassy and try to get the entry visa to the country where he would be going. Oswald left, only to

return the next day. He insisted on meeting with the Cuban consul. He was not very composed on that day when he again insisted that he needed the visa. (Eusebio Aque) again denied him the visa [words indistinct]

There was something very interesting in his request for a visa. In it, Lee Harvey Oswald said that he wanted to be in Havana for two weeks [words indistinct] because a person who is going from one country to another does not need a transit visa. What was he after? Why did he want that visa? There is no doubt in our minds that [words indistinct] that Oswald visited Havana and after four, five, or six days, returned to Mexico, having proof that he had been in Cuba and that while he was there, had received instructions on the Kennedy assassination.

I must remind you that early in 1963, the CIA set up a photo-taking corner across from the Cuban Embassy. This was set up by CIA agent David Philips, the same man who met with (Antonio Vessiana) and Oswald a few days earlier. This photo-taking center was run by Augusto Cesar Rodriguez Gallego, a CIA agent and former Cuban mercenary. Rodriguez Gallego took photographs of everyone who entered and left the consulate and the embassy. I have always asked myself: If Oswald entered the consulate three times, why was he not photographed? What is even stranger: Why the photograph presented, of the U.S. citizen who entered the Cuban Consulate on 27 and 28 September, does not resemble Oswald. The man in the photograph is taller, much less hair than Oswald, [words indistinct].

There is something else that seems to me very interesting. This has to do with another Silvia, Silvia Duran. As I explained earlier, Silvia Duran was our secretary. She was the Cuban Consul's secretary in Mexico. She was a Mexican citizen. Immediately after the assassination in Dallas, and under CIA orders, Silvia was detained and interrogated. It seemed that quite unorthodox methods were used to interrogate her. They were trying to get her to say that Oswald had secret relations with Cuban intelligence.

The fourth stage began two days after Kennedy's assassination. It was at that time that three Mexican citizens tried to recruit Guillermo Ruiz' wife. As I told you earlier, Guillermo Ruiz was the commercial attache at the Cuban Embassy in Mexico. His wife was (Antonio Vessiana's) cousin. She was going from her home to the embassy; she was very near the embassy when a [words indistinct] Mexican citizen pointed at her feet and told her she had dropped a large wad of money. Our comrade could immediately tell that it was an attempt to bribe her. She told him the money was not hers and kept on walking. That was when she walked into two supposedly Mexican citizens who asked her for the money. This frightened her and she ran. Fortunately, two comrades were leaving the embassy at that very moment and she ran to them for help. They went back to the same spot, but the three Mexicans and the money were gone.

What did they want? Why? They were trying to compromise her in the eyes of the Cuban authorities and later force her to join them and cooperate with them. They [Guillermo and Silvia Ruiz] would be used to testify that Oswald was a Cuban intelligence agent.

The fifth stage developed in Havana. After Oswald failed in his attempt to travel to Havana, the CIA brains tried to find an alternative plan. They were practically up against the wall. Oswald's plan to travel to Havana had failed and the countdown had begun. They had probably already selected Dallas as the site for the assassination of the President of the United States. It was necessary to find a way to involve Cuba. Seems someone thought that the best way would be to fabricate three letters written to Lee Harvey Oswald in Havana. In those letters, Oswald's ties with Cuban intelligence would be insinuated. These three letters were actually fabricated and mailed from Havana by some CIA man. They were signed by two men: One so-called Pedro Charles and a so-called Jorge. In the three letters, they mentioned the relations Oswald had with Cuba, with alleged Cuban intelligence officials. They also mentioned that Oswald couold put out a candle with a single shot at 50 meters; they mentioned money, secrets; strongly urged Oswald to destroy all the letters; and that once it was all over, Oswald could come to Cuba and live here.

[Unidentified speaker] Excerpt of one of the letters sent from Havana to Lee Harvey Oswald.

Dear Lee:

I recommend much prudence and do not overdo it with the money I gave you. After this is over, I will strongly recommend you to the boss. I am sure he will be glad to meet you because they need men like you. I told him you can put out a candle from a distance of 50 meters. He cannot believe this. Do not forget to do all that I have asked you to in all my letters. Do not leave anything behind that could be used to track you. When you receive my letters destroy them as you usually do. After it is all over, I will send you the money and we will meet in Miami as usual.

Sincerely,

Pedro Charles.

[Escalante] Of the three letters dated 10 and 14 November 1963, only two were found. Why? Because the letter written on 14 November never reached its destination. It was during those days that a letter bomb exploded at the post office, a letter bomb sent by CIA agents—apparently CIA agents who knew nothing of this other operation. Chaos prevailed at the post office. All the mail bags were ripped open, letters strewn all over. This went on until 25 or 26 November. Once the letters were picked up and classified, a comrade saw one addressed to Lee Harvey Oswald. By then everyone knew he had, or allegedly had, assassinated President John F. Kennedy.

[Unidentified speaker] Excerpts of letter sent to Lee Harvey Oswald from Havana on 14 November 1963, which never left Cuba and had remained undisclosed until today.

My friend Lee:

I will tell you that what you told me about the last time I was in Mexico with you would be the perfect plan. It would truly weaken the boastful Kennedy's policy. However, we must be careful.

You are going to Houston to visit your family. I wish you the best. Regarding the other matter, I hope all goes well.

A hug and regards,

Jorge.

[Escalante] But there were two letters mailed after the assassination. They were dated 25 and 26 November. In these two letters, two alleged Cuban dissidents charged Oswald with being a Cuban intelligence agent responsible for the assassination of the President of the United States, following the orders of the Cuban Secret Service.

The sixth stage began to develop immediately after the assassination. Some sort of press bureau established in Miami, headed by Frank Sturgis and with three reporters who were CIA agents—Hal Hendricks, James Buchanan, and Jerry Buchanan—began spreading the rumor that Oswald was a Cuban agent. They based their information on the alleged letters addressed to Oswald, which were mailed from Havana by a CIA agent. Those letters allegedly proved that Oswald had ties with the Cuban intelligence groups.

[Unidentified speaker—in English] Did he try to kill Castro?

[Frank Sturgis; identified by caption—in English] I think he meant to kill Castro, okay? [words indistinct]

[Cruz] So all this confirms there was a conspiracy?

[Escalante] A conspiracy existed [words indistinct]. Proof of its existence was the fact that they planned to recruit Guillermo Ruiz long before Kennedy was assassinated. They had planned to do this so that Ruiz would later testify that Lee Harvey Oswald was a Cuban agent. Further proof of the conspiracy is that they sent Oswald to Mexico to try and get a visa to get into Cuba so that they could later say that Oswald got his orders to assassinate Kennedy in Havana. A conspiracy existed and proof of this is that they manufactured five letters mailed from Havana, and as you know, Oswald was never in Cuba. Those letters had to be fabricated, written, and mailed through our post office by others who were not Oswald. Another proof of the existence of the conspiracy was that immediately following Kennedy's assassination, a gigantic press campaign directed and orchestrated by the CIA was launched in the United States, accusing Oswald of being a Cuban agent. They not only mentioned Oswald, they also said that the people who signed the alleged letters were involved with Oswald in the plans to assassinate the President of the United States.

Clearing up the assassination of President John F. Kennedy is the responsibility of U.S. authorities. After studying the investigations conducted by the U.S. authorities and our own investigations conducted as a result of the plot to involve Cuba in the assassination plans, we reached the conclusion that the assassination was planned by people in the CIA, the Mafia, and the Pentagon during the Spring of 1963. Among the masterminds were Sam Giancana, John Rosselli, and Santos Trafficante, former Mafia operators in Cuba prior to the triumph of the Revolution; Gen. Charles Cabell, former CIA assistant director who was fired by Kennedy after the Bay of Pigs failure; Frank Sturgis, (Robert McHugh), and CIA agents David Philips and Howard Hunt, among others.

The operation was, undoubtedly, carried out by a very experienced team. The team included sharpshooters, communications men—each sharpshooter had to be given orders as to the precise time of firing—and with men who provided information along the route followed by the presidential motorcade. As I have said, this was too complex a plan to be carried out by a single man. According to information we have received, the following men were also involved: Lenny Patrick and David Yaras, two Chicago hit men provided by Mafia chief Sam Giancana; Richard Gaines, also a Giancana man and CIA agent who was an expert sharpshooter and involved with the Mafia and CIA plans against Cuba since 1960; (Roscoe D. Whight), a CIA agent who joined the Dallas police force and whose own son a few years ago publicly declared that his father had participated in Kennedy's assassination; Dallas policeman J. B. Tippitt, who was murdered only seconds after the president was shot because, some say, he refused to eliminate Oswald; and two Cubans, Eladio del Valle and Herminio Diaz. These are only some of the people involved, because as I said earlier, this operation was too big for one person to handle. Jack Ruby was the coordinator of this macabre group. He coordinated the activities of the people directly involved in the assassination operation—that is, the sharpshooters and communications and observation teams.

Meanwhile, Frank Sturgis and the group of Cubans who accompanied him to Dallas was responsible for providing information on the route of the motorcade; and, according to some our evidence, he also was responsible for killing Oswald after the assassination.

[Cruz] What role did Oswald play?

[Escalante] He played an active part in the plan. From the very beginning he had a role; however, he did not know what the role called for and that it would end with his own death.

[Cruz] It has been proven that Cuban counterrevolutionaries participated in Kennedy's assassination. What can you add to this?

[Escalante] District Attorney Jim Garrison's investigations conducted back in 1966 and 1967 proved that a Cuban participated in the assassination. His name is Eladio del Valle Gutierrez, better known as Yito del Valle. Yito del Valle was (David Ferrey's) assistant. While investigating the Kennedy assassination, Garrison also investigated (Ferrey) for his involvement in the plan. Back in 1959 these two men participated in activities against Cuba. These activities were organized and sponsored by the CIA and by Cuban counterrevolutionaries Carlos Prio, former Cuban president, and Manuel Antonio Varona. With this information in hand we began to investigate. Checking our files, we found some important information on Eladio del Valle.

First, Eladio del Valle had been associated with U.S. gangster Santos Trafficante. They smuggled cigarettes. Trafficante represented the Chicago mafia in Havana prior to the triumph of the Revolution. Eladio del Valle was also a deputy, a Government Minister policeman, and a Military Intelligence Service agent. Immediately after the triumph of the Revolution, Eladio left the country. Once in Miami he joined Santos Trafficante, Carlos Prio, and Tony Varona. Supervised by the CIA, they began to organize activities against Cuba. One of our agents even met with Eladio del Valle in Anguilla Key, their home base from where they planned to infiltrate Cuba. Even back then we knew how Eladio del Valle how felt about the Kennedy government. Eladio del Valle was already talking like an ardent anti-Kennedyite. He blamed Kennedy for the failure of the Bay of Pigs invasion. The counterrevolutionaries claimed that the mercenary 2506 Brigade was defeated because it got no air support, when the truth is that they were defeated by our soldiers.

Eladio del Valle went to New Orleans in 1963. He is in New Orleans and is a member of that group [words indistinct]. In 1992, last year, I was surprised to learn that a book entitled Crossfire had been published in the United States. The book was written by Sam Giancana's brother. In his book, Sam Giancana's brother says, and I quote: Other assassins were Cuban exiles who were friends of Trafficante. There were some rumors that one of them was a former vice squad policeman in Havana who later became a gangster.

When I read this, Eladio del Valle's name immediately popped into my mind. Reviewing Eladio del Valle's file, I kept coming up with the name Santos Trafficante, the Mafia representative in Cuba prior to the triumph of the Revolution. Reviewing the information we had on him, we had arrested Trafficante in 1959 and expelled him in 1960, I found some very interesting information. The comrades who went to pick up Trafficante to expel him from the country found him at the Havana Riviera. He was there with his bodyguard, a Cuban bodyguard. It turns out that Trafficante's bodyguard was none other than Herminio Diaz Garcia. Who is Herminio Diaz Garcia? Who was Herminio Diaz Garcia? An old Cuban gangster who in 1948 killed Rogelio Hernandez in Mexico; who in 1957, following Trujillos's orders, organized a plan to assassinate Costa Rican President Jose Figueres; who in 1959-60 openly began plotting against the Revolution as a member of Rescate Group, the group led by Manuel Antonio Varona. Herminio left Cuba in late 1962, and the first few months he spent in Mexico. From Mexico he went to Miami and immediately began working for Santos Trafficante. There is information proving that in 1963 Herminio had been seen in New Orleans and Dallas. In other words, these two men, closely linked to Santos Trafficante, closely linked to the Cuban counterrevolution in the United States, and closely linked to the CIA, are seen or linked to people who are directly involved in the Dallas assassination. But there is more.

There are four witnesses who testified before the Warren Commission, and District Attorney Jim Garrison's investigation proved it, who said that before and after Kennedy's assassination they saw two men going into the Dallas book repository—one of the places from where Kennedy was shot. They described the two men as Latin-looking and one of them black. One of the witnesses is Dallas Deputy Sheriff Roger Craig, who a few years later also died under mysterious conditions. In his testimony, Roger Craig said that moments after Kennedy was assassinated, and while standing by the book repository, he saw a station wagon drive up and in it was the Cuban mulatto he had seen previously standing at a window on the sixth floor of the building. Craig added that a few minutes later a white young man jumped into the station wagon and the vehicle took off at full speed. Craig identified the young man as Lee Harvey Oswald. The description of the two men and the mulatto closely match the descriptions of Eladio del Valle and Herminio Diaz. I ask myself, how come the FBI did not investigate this? If the Dallas police questioned one of these Cubans shortly after Kennedy's assassination, why was he allowed to leave? Because the Cuban did not know English and could not answer their questions. Why were the Cubans not held as suspects? Why did they fail to investigate Lee Harvey Oswald's visit, a few days before the assassination, to someone at an address in Dallas, Texas, where a so-called Party for the Freedom of Cuba had its offices? That party was dissolved the day after the assassination and the house was vacated by the Cubans.

[Cruz] What happened to those allegedly involved in the Dallas incident?

[Escalante] Most of them are dead. Eladio del Valle was brutally murdered in February 1967. He was murdered at the time District Attorney Jim Garrison started his investigation in New Orleans. Eladio del Valle was shot to death and his body chopped up with an axe.

On 29 May 1966, only a few meters from the Comodoro Hotel, located in the very heart of the capital city, Herminio Diaz Garcia's career as a professional killer and CIA agent, ended. Following (Jorge Mascanoso) and CIA orders, Herminio returned to Cuba to prepare a

plan against Commander Fidel Castro. Herminio was caught by our authorities and was killed.

[Cruz] Is that all the information you have?

[Escalante] No Soledad, there is more.

[Unidentified speaker] Excerpts of statements made by former CIA agent (Marita Lawrence) before the Select Committee of the U.S. House of Representatives. (Lawrence) said that in September 1963 she attended a meeting held at Orlando Bosch's home in Miami and that Lee Harvey Oswald also attended the meeting. (Lawrence) added that somewhere around 15 November 1963 she traveled to Dallas in a two-car caravan. She was accompanied by Bosch, Sturgis, (Diaz Lance), Gary Hemming, the (Novo) brothers, and Oswald. She testified that in the rooms of the Dallas motel there were many rifles and telescopic sights. (Lawrence) said she returned to Miami on 19 or 20 November.

[Escalante] I would say that there is more to this and as the investigations continue, more information will be known. I can add that all the information is locked up in a seven-lock box and kept in CIA and U.S. Government archives.

To respond to your question, I would like to explain something else that I believe is very interesting. This has to do with information one of our agents gave us back in 1976. Allow me to read this so I can be as accurate as possible. This information was gathered in Puerto Rico. (Vessiana) was in Puerto Rico at that time. According to the report, (Vessiana) told our source that he was a CIA agent and that the CIA assassinated Kennedy. (Vessiana) added that high-ranking CIA officials were involved and that David Philips, his case officer, was among them. The source added that (Vessiana) refused to give further details on the matter, but that on one occasion, while he was with (Vessiana) in his hotel room he overheard (Vessiana) talking on the phone with his case officer, David Philips. Our source heard (Vessiana) swear to (Philips) that he would never tell what happened in Dallas in 1963. I believe this information is very important because in 1973, when (Vessiana) was paid off by the CIA, when he was taken off the CIA payroll, he received $300,000.

[Unidentified speaker] The reason we stole in Watergate was because Nixon was interested in stopping the filtering of news that had to do with photographs of our role in the assassination of John F. Kennedy: Frank Sturgis, 7 May 1990, THE SAN FRANCISCO CHRONICLE.

If ever I were to tell all I know about Dallas and the Bay of Pigs, it would the biggest scandal ever to shake the nation: Rafael Quintero, former Bay of Pigs mercenary and CIA agent, (?THE REALIST) magazine.

I have heavy information about Dallas, but I keep it because it is my life insurance: (Antonio Vessiana), interview by U.S. House of Representatives investigator.

[Unidentified speaker—in English] The staff report said there was no conspiracy.

[Escalante] The U.S. police authorities are responsible for clarifying that horrible assassination that shook the world. Our responsibility was to make clear to the U.S. people and the world that Cuba was not involved in that horrible crime and that it was all an operation to blame Cuba and attack us militarily, to overthrow the Cuban Revolution. This is why we conducted the investigation and this evening we have disclosed our findings.

While conducting the investigation, we came up with names, facts, and details that I have attempted to relay to you as clearly as possible in this interview. There are some things I am sure I have not mentioned; some of them may have slipped my mind, others you know we cannot disclose. There are sources we must keep hidden.

[Cruz] After hearing all this information about the Dallas incident, can anyone say that this case is closed?

[Escalante] After all the elements, facts, information, [words indistinct] we have talked about today, can we truly say this case is closed?

[Host] I imagine there is someone abroad who wants to speak out. Perhaps he cannot talk about this closed case. Well, you have the facts.

## ICRT Official on Growing Role of Radio, TV

*FL2312232293 Havana Radio Reloj Network in Spanish 2032 GMT 23 Dec 93*

[Text] Since the beginning of the special period, radio and television have taken on a much more historic role. This was stated by Josefa Bracero, vice president of the Cuban Institute of Radio and Television [ICRT], during an address at the Sixth Union of Cuban Journalists Congress.

During the congress session, which Commander in Chief Fidel Castro is attending, Bracero explained that there are 55 radio stations in Cuba, many of which are broadcasting the information that newspapers used to publish. On the subject of the role of radio in the present, Bracero said that at the beginning of the special period radio broadcast 19 percent of the news and today the figure is 33 percent. Bracero added that radio broadcasts 292 hours of news daily with the highest audience in the Radio Reloj morning casts and the Radio National Newscast.

## Death Sentence Ratified in Santa Clara Murder Case

*FL2312232193 Havana Radio Reloj Network in Spanish 2039 GMT 23 Dec 93*

[Text] The People's Supreme Court has ratified the death sentence ruling issued in Villa Clara against Jose Ariel Machado Rojas, main perpetrator of the murder of Yasser Roberto Jimenez Artiles, which took place in

October in Santa Clara. The sentences of the rest of the criminals involved in the murder were also ratified since the court dismissed the appeal procedures presented by the defense.

Emiliano Lara Perez will serve a 30 year imprisonment; Alexander Surque Peralta and Antonio Jose Valdez will serve 25 years; Armando Martinez Oses 20 years; and Rey Victor Oses 10 years. This group would start fights in order to steal the victim's bicycle. As you may remember, last August, in one of those vandal acts in Santa Clara, Machado Rojas knifed down the young student Jimenes Artiles.

### 'Straight Talk' Views Role of Journalism

*FL2412012293 Havana Radio Rebelde Network in Spanish 1700 GMT 23 Dec 93*

["Straight Talk" program with host Juan Carlos Roque Garcia and guests NTV correspondent Angel Leon Cabrera, Radio Revolucion reporter William de Armas, and Radio Rebelde reporter Guillermo Bernal; in Santiago de Cuba—live]

[Text] [Roque] At this very moment, coinciding with this program, the Union of Cuban Journalists [UPEC] is meeting. "Straight Talk" wanted to broach certain issues being discussed at the UPEC meeting. Here with me in Santiago de Cuba are: Angel Leon Cabrera, correspondent for Cuban television, and William de Armas, Santiago de Cuba Radio Revolucion reporter. On the telephone, from Havana, is our fellow Radio Rebelde reporter Guillermo Bernal.

Today's topic on Straight Talk is: Our opinion on expressing opinions. William de Armas.

[De Armas] Let us start by saying that journalism without opinion is inconceivable.

[Roque] Then why do we usually report and give an opinion?

[De Armas] It is easier. You do not commit yourself. In a way it has much to do with how the Cuban journalists of the past years have been taught. He transfers, I call them transferrers, information but does not process it. If he were to process the news it would be much more accurate and would force the listener to reach his own opinion. In doing so the journalist would also be expressing his own opinion.

[Roque] Formation or direction. What is the role of the journalist? Angel Leon Cabrera.

[Cabrera] I believe the journalist's first duty must be to inform the public. That is basic journalism. After you have done this you can comment, express an opinion. The question is: Are you not expressing an opinion when you are reporting? Are you not expressing an opinion when you hide or do not disclose information? We always have an opinion. When you do not inform, you are expressing an opinion because you are, in fact, not reporting on something that is happening and the people know it is happening.

Generally speaking, I believe that all our colleagues know that there is a problem. Everyone knows that we are lacking in expressing our opinion; however, the problem cannot be solved because we are not doing what we should do. We know there is a problem, but we—and I am including myself—are not doing what we should do to solve it. We do not inform when we should. It is, undoubtedly, much easier to keep quiet or tell only what we think is appropriate.

We are not talking about telling lies. Cuban journalism does not lie. But there is one thing that is true: The Cuban journalist hides truths. That is basic. When you hide truths then you are simply, and I compare this to the ostrich syndrome—you bury your head, let whatever is happening continue, or let someone else report on it. We are, therefore, not solving the problem at the appropriate moment.

[Roque] Our opinion on expressing opinions. That is our topic today on "Straight Talk" being brought to you from Santiago de Cuba and Havana. I believe something was left unsaid earlier?

[De Armas] That is correct. We said that the problem with expressing an opinion lies in the journalist's training at the university. There is, however, something else. The journalist's relation with the source. Many times the source does not disclose all the information and at times flatly refuses to disclose it. This is very common with information that would be highly sensitive for the people. Here on "Straight Talk" you have broached some of these issues and I congratulate you.

[Cabrera] May I?

[Roque] We just heard William de Armas. Now, here is Angel Leon Cabrera.

[Cabrera] William gave me the chance to bring up something I believe should be brought up at this time. I can tell there is a difference in how the various media report. One can notice, perceive an interest in an—and please do not take me wrong for using the following word—opening in the radio sector and some stations in particular, for example, Radio Rebelde. You can also notice in other media sources, unfortunately the media I work for, television, that truly underestimates its value and does not allow, or restricts, opinions and commentaries. For example, NTV newscast, the media outlet I work for, stresses and encourages information above opinion. I believe this must be changed and we must do it ourselves.

[Roque] Guillermo Bernal is sending us the signal that he is ready. He is in Havana and is also participating in a direct link with Santiago de Cuba on this "Straight Talk" program. As I have just said, Guillermo Bernal is in

Havana and will contribute his views on this, our opinion on expressing opinions program.

Bernal, do you believe that we are performing journalism that is in accord with the situation experienced by the country?

[Bernal] Good afternoon to you and to everyone in Santiago de Cuba: Carlitos, Renato, the Radio Rebelde crew.

I believe that Cuban journalism has gone through several phases. In all these phases the Cuban journalist has contributed to the revolutionary process and we have tried to be in sequence with our times.

These times demand of the Cuban journalist a clearer, more precise, and simpler way of reporting the news or analyzing the news. This is why I believe that what is being done right now, what is being sought right now, above all in radio, is more clear. This program is evidence of this. In this program we analyze current issues—so called hot issues—and to a certain degree this helps to give a different view of the problems.

[Roque] As a matter of fact our listeners speak about the difference seen among the news media. Why does this happen in radio but not in the newspapers or television? Can you, as a media analyst, tell us?

[Bernal] I believe there is a marked difference in the media due to several reasons. First, radio words are taken by the wind because of its ephemeral character. And where I said say could be understood as Diego [y donde dije digo puede entenderse Diego]. But with print the situation is different. Print is permanent and directors, or editors, are perhaps more cautious when it comes to allow journalists to expresses their opinion fully. They believe that many times something that might harm the prestige of the Revolution or might be misunderstood should not be broadcast.

[Roque] They fear second, third, and fourth readings.

[Bernal] And the fifth one and people extrapolating details. At times, one expresses one opinion and they think there is something to be read between the lines. In reality this is not so. Journalism has always been very direct. For example, when I do an analysis I try to speak in John Doe's language because I believe we have to speak in this manner. If the people say: This is not right; the reporter has to know how to say so in his own style of writing or speaking, but he has to say it.

[Roque] Finally, Bernal: As a reporter, you have always assumed that attitude you just mentioned?

[Bernal] I believe so. I like to be straightforward. I do not like leaving words inside me or to compromise on things I have not thought through. I cannot be a news relay machine. I simply analyze the news. I go to a performance—in my case cultural affairs—and if the artist danced well he danced well and if he danced poorly he danced poorly, but I try to be consistent. We have to respect the public who leaves the theater waiting for the critic's opinion. I remember that several years ago, as I was leaving the Carl Marx Theater, a JUVENTUD REBELDE writer was told by a reader: I am going to see what you are going to write tomorrow about this. People trust and many times believe the critic. In the case of the national economy, the people believe the national opinion and at times I wonder that we harvest so many tons of food and yet it never makes it to the stores. This is because the way the reporters say this is not entirely real. At times, facts are seen with too much fantasy. We have to be more specific.

[Roque] Have you ever regretted any opinion you have made public?

[Bernal] Well, at times one is more harsh or less harsh. Perhaps at times one has expressed a very harsh opinion which perhaps one might have said differently. But I do not regret having expressed my opinion.

[Roque] Bernal, I thank you for participating in "Straight Talk" from Havana and I guess you will continue listening to other opinions on this broadcast—the opinion of the opinion.

[Bernal] I have listened in and I believe that it is a very opportune broadcast as the process of the UPEC Congress assemblies concludes today. Thanks.

[Roque] In addition to Guillermo [Bernal] in Havana, we have television correspondent Angel Leon Cabrera and CMKC Radio Revolution journalist William de Armas in Santiago de Cuba.

We are analyzing the opinion of the opinion in connection with the UPEC Congress being held in Havana.

[De Armas] Roque, the problem lies in that I see the issue in this manner: There is a public opinion, people have their own opinion on events happening but the media, at times, expresses a different opinion, the official opinion, that is the second opinion. There is the third issue: Things as they truly are. At times, all three do not concur. For example, consider the opinion that the journalist, the newspaper agency publishes and that of the population. These are three distinct and different things. And until these things match—not because of unanimity but on the basis of a debate, opinion, knowledge, and an approximate concordance on that opinion, there is not going to be a truth. There are two, three, and even four versions of things.

[Cabrera] I believe that is not journalism. Someone said that journalism is the mirror of reality. If the society has problems—acknowledged, known, endured public problems—this must necessarily be expressed in the media. We cannot continue to divorce—as is actually happening—reality from journalism. I ask myself at times... [pauses] I go to the newspaper library, review the news and ask myself: Will future generations truly know how life in Cuba in these years was? Will they know the full

story, with full objectivity? Will they be able to understand the sacrifice and great heorism of the Cuban people in these times? I do not think so. Why? This is the question.

First, we have to ask: Who directs the media? Who directs the media? [repeats] We know that the media, of course, responds to the Communist Party of Cuba and there is a concordance between the party and the people. As this gets lower down the chain of command, however—and I speak as a reporter from the provinces, not a provincial reporter, please!—I perceive that those authorities among whom you find certain party and media officials, that many times are the same, decide on many occasions what should or should not be published without respecting the opinion of the reporter. We have to add that it is not always a problem with the sources. At times, the sources do provide the information.

I believe that this struggle has to be begun by the journalists, ourselves. We have to go to the battlefield with the truth.

[Roque] Of course. I am grateful for the participation of Angel Leon Cabrera, Santiago de Cuba television correspondent; William de Armas, CMKC Radio Revolution journalist; and also comrade Guillermo Bernal, Radio Rebelde in Havana.

### Consul General to Chile To Develop Relations

*FL2512161893 Havana Radio Rebelde Network in Spanish 1000 GMT 25 Dec 93*

[Text] Humberto Hernandez, Cuba's new consul general to Chile, has said that during his mission in Santiago he will try to develop the relations between Cuba and Chile.

## Inter-Caribbean Affairs

### Caricom Secretary General Summarizes 1993

*FL2412171093 Bridgetown CANA in English 1258 GMT 24 Dec 93*

[By Colin King]

[Text] Georgetown, Guyana, Dec 24, CANA—The Caribbean community (Caricom) has had a difficult year in 1993, but there was also some cause for satisfaction, Secretary General Edwin Carrington has said.

"Overall, I would say it has been an extremely difficult and heavy year, but one which, taking everything into account, the region has some cause to go into the end of the year and the new year with some measure of satisfaction," he told reporters. Carrington identified gradual movement towards implementation of a Common External Tariff (CET) and work on the Caricom proposal of an association of Caribbean states as some of the bright points.

Among the disappointments, according to the secretary general, are the outstanding solution of the fate of regional airline LIAT (1974) Limited, implementation of a regional double-taxation agreement, and the financing of the secretariat itself.

"All but three countries have now met the deadline for implementing the CET," Carrington told his end of year press briefing. Montserrat has notified the secretariat that it will implement the tariff by February 1, with Guyana and Antigua and Barbuda remaining to implement the deadline, the secretary general said, describing the movement as "significant progress, if not complete, as we were hoping."

Reporting progress on the freeing up of intra-regional travel, Rainford said Montserrat and St. Lucia recently joined Belize, Dominica, Guyana, Jamaica, and St. Kitts/Nevis in allowing entry of Caricom nationals with documents other than passports. He said even where there are hiccups, with some reports of harassment of nationals of some countries, these situations could reflect reactions to the very fact that change was taking place.

On the community's efforts to implement an innovative double-taxation agreement, where income is taxed at source rather than at point of receipt, Carrington said a snag has been encountered.

"We were hoping to be able to announce complete progress there but we just got a recent hiccup. One member state sort of raised a red flag ... So we have to go back to the drawing board again," he explained. The concerns raised by the single-member state require examination at the technical level on whether the issue will necessitate an accommodation or will require change, he added.

Carrington said the issue of regional government-owned LIAT airline is now open to alternative solutions after attempts to privatise the carrier in an arrangement sanctioned at the last heads of government summit in The Bahamas in July.

"Everyone recognises now that the so-called final decision of July just is not implementable ... And what you need is an implementable solution," Carrington said. "We now have to move very firmly (with a newly proposed merger of Trinidad and Tobago-owned BWIA and Air Jamaica and any alternatives for LIAT). By the intercessional meeting (of heads of government in St. Vincent early in 1994) we hope that a final and definitive solution can be arrived at," the secretary general said.

Reviewing the community's external relations, Carrington said the signing and passage of the North American Free Trade Agreement (NAFTA) in the U.S., and the conclusion of the Uruguay Round of the global trade talks, GATT, are now on the Caricom agenda, particularly in terms of the final formulation and the implications for Caricom. He said the secretariat will have discussions with the public and private sector and the

media to build understanding of the final implications of the GATT (the General Agreement on Tariffs and Trade).

Carrington talked of efforts by Caricom to gain equal treatment with other countries under NAFTA. He indicated that the non-reciprocal arrangement sought by the region does not seem to be finding acceptance.

"When we started discussions we though we were going to get parity for a certain period ... As it were, without any concessions, without any reciprocity. It's quite clear that they are pushing for reciprocity, some reciprocal benefit ... Intellectual property rights, investment guarantee agreements, worker rights arrangements, environmental conditions," he said.

Secretariat officials reported that a Caricom-Venezuela one-way preferential access arrangement which went into effect in January, 1993, is working for several regional exporters. While there are as yet no figures for the first year of the initial five-year agreement giving Caricom goods preferential access to Venezuela, several exporters in Trinidad and Jamaica particularly have been doing business in Venezuela, director of economics and industry, Byron Blake, told the press conference.

He also reported that technical discussions were continuing on a Caricom-Colombia agreement which the region had hoped to pattern on the non-reciprocal Venezuelan pact. Colombia has insisted to date on a level of reciprocity, requiring tariff reductions in Caricom which are the responsibility of the council of ministers. According to Blake, the council, when it meets in Georgetown in February, 1994, will consider the issue. Secretariat officials, however, believe the granting of reciprocity in a Caricom-Colombia agreement could trigger demands for similar treatment in the Caricom-Venezuela relationship.

Secretary General Carrington reported early progress in arrangements for technical discussions on the proposed Association of Caribbean states [ACS], embracing the countries of the wider Caribbean basin.

"The ACS is making progress. We have the first major meeting at technical level here in Guyana on February 7-9," Carrington reported. The meeting is expected to be attended by 25 sovereign states and 15 non-independent countries.

Summing up the year for the secretariat, Carrington said the secretariat was pushing ahead with restructuring, but continued to struggle financially, as several member states' contributions were outstanding.

### Export Body To Be Reorganized

*FL2712235893 Bridgetown CANA in English 2312 GMT 27 Dec 93*

[Excerpts] Bridgetown, Barbados, Dec. 27, CANA—The Windward Islands Banana Association (Winban), the statutory body handling banana exports, is to be replaced by two new regional companies in an effort to save the sector, Dominica's Prime Minister Eugenia Charles has announced.

Prime Minister Charles, in an interview with the CARIBBEAN NEWS AGENCY, said Winban's dismantling next year is part of an action plan to restructure the banana industry, agreed on by the prime ministers of the four Windward Islands banana-exporting countries.

Dame Eugenia said the new companies, to be jointly owned by the governments and the private sector, will ensure the industry is run along strictly commercial lines. Dame Eugenia, along with fellow prime ministers John Compton of St Lucia, Nicholas Brathwaite of Grenada and James Mitchell of St Vincent and The Grenadines met on the Grenadine island of Bequia last Wednesday on the banana issue with British Foreign Office Minister Mark Lennox-Boyd.

"At the moment, all our agencies are statutory boards. I don't think that's good enough. I think they must be commercial corporations which have to do business on a business-like basis....We have to look at the fact that this is a business and if we don't do it in a business-like way we will go to the wall," Dame Eugenia said.

The Dominica leader said the regional company owned by the governments and the industries in the four territories will have a subsidiary service company responsible for "proper" procurement of inputs at lower cost, technical operations, advice and assistance in consistently and economically producing top-quality fruit.

The company must also have the expertise to maximise profits by negotiating a "good contract" with the exporting agent, currently the British conglomerate Geest PLC, which has had an over forty-year relationship with the Windwards.

The Bequia summit was called to present to the British Government the islands' proposals for assistance in restructuring the depressed industry, which faces severe challenges in the traditional, protected European Community market. [passage omitted]

The Windward Islands are looking for financial support of between two and three million European Currency Units (ECUs) to restructure the industry under an aid proposal put forward by the European Commission.

But, said the Dominica leader, British Government official Lennox-Boyd told the Windwards prime ministers that London opposed the plan, because it felt the Commission in brussels was not properly spending its money. "It was a matter of the (European) Council (the community's highest decision-making body) and the Commission," Dame Eugenia explained. "They are not looking at the end-result (of helping the industry) but the machinery."

Dame Eugenia said she would be travelling to Europe in early February to persuade the British Government to support the commission's aid proposal and meet with

GATT chief Peter Sutherland, the EC representative on the GATT Sir Leon Brittain and the European Commission to convince them to reverse the GATT concessions to the Latin American producers.

## Barbados

### Sandiford Welcomes South African Anti-Apartheid Vote

*FL2412174793 Bridgetown CANA in English 1532 GMT 24 Dec 93*

[Text] Bridgetown, Barbados, Dec 24, CANA—Barbados's prime minister, Erskine Sandiford, has welcomed Wednesday's historic vote which dismantled the constitutional legitamacy of apartheid in South Africa. He described the vote as one which "reaffirms the dignity, rights, and equality of all men," according to the Barbados Government information service.

He said that Barbados, like the rest of the world, had longed for the day when black, disfranchised South Africans could exercise their inherent right to choose their own leader, under a free and fair democratic process.

On Wednesday, the majority in South Africa's parliament voted in favour of an interim non-racial constitution which effectively buries the apartheid policies. These were introduced by South Africa's white national party in 1948.

Sandiford praised two Nobel peace prize winners—President F. W. De Klerk and black nationalist leader Nelson Mandela—for their vision, tenacity, and courage in setting the country on a path of renewal and healing.

"Barbados stands ready to lend whatever support necessary to further this great cause," the prime minister reported. South Africans go to the polls in April 1994. Sandiford said, "out of the terror of its dark past, South Africa now stands on the threshold of a new dawn."

## Grenada

### New Party Issues Christmas Statement

*FL2412203893 Bridgetown CANA in English 1948 GMT 24 Dec 93*

[Text] St. George's, Grenada, Dec 24, CANA—Grenada's newest political party, the Initiative for Better Representation (IBR), has called on Grenadians to throw their support behind a "united team," during the upcoming general elections.

"Out of the ashes and pain of a people who have endured much, suffered tremendously, been disillusioned, frustrated that nothing works, must come a team of committed, hard-working men and women of integrity," the IBR said in its first Christmas Day mesage.

The party, which is tipped to have Grenada's first female political leader, says it is offering a new breed of politician at a time when more and more voters are either "uncommitted or disillusioned" with the present crop.

The IRB says it is offering a "new and non traditional approach" to politics in Grenada which it hopes will lay the foundation for the island's economic take-off.

The group is made up of prominent Grenadians including former president of the Grenada Chamber of Commerce and Industry, Hugh Dolland, chairman of the Grenada Manufacturing Council, Terrence Moore, and other business leaders.

But apart from the IBR, none of the seven other political parties have released manifestos or announced candidates for the elections which are constitutionally due by March, 1995.

Except for Dr. Keith Mitchell's New National Party (NNP), which is predicting an election win for itself, most politicians expect an inconclusive poll similar to that in 1990.

"There are those who are trying to say no party will get a majority but that is a scheme, it is propaganda designed to mis-lead you," Dr Mitchell told a recent convention at which he was returned unopposed as leader.

The other parties expected to contest the next poll are the New York-based United Republican party (URP), which has not yet been officially launched here, the National Party of former Prime Minister Ben Jones, the Ruling National Democratic Congress and the Grenada United Labour Party of former Prime Minister Sir Eric Gairy.

## Haiti

### Aristide Calls For International Conference

*FL2712212493 Port-au-Prince Radio Metropole in French 1700 GMT 27 Dec 93*

[Text] President-in-exile Jean-Bertrand Aristide has suggested holding an international conference on 15 January in Miami on the crisis and on the situation of the Haitian refugees. He invited the political parties represented in the Parliament and the humanitarian organizations, but not the Haitian military.

Concerning the Haitian refugees, the president-in-exile worried about the critical situation of the refugees who are leaving Haiti, considering that their right to flee a state dominated by violence could not be ignored. While we are pursuing a political solution, the international community should concentrate its energy on refugee problems, writes the president-in-exile in a press release.

### Reaction to Proposal

*FL2712223793*

[Editorial Report] Port-au-Prince Signal FM Radio in French at 1800 GMT on 27 December carries a series of items reporting reaction from various Haitian circles to the proposal for holding a new national conference. The first report follows: "Senator Thomas Eddy Dupiton favors the holding of a national conference if the goal is to solve the crisis. However, Thomas Dupiton is against the holding of a conference on Haiti abroad because the Haitian government's headquarters must be inevitably in Haiti. Senator Dupiton, criticizing the attitude of the so-called Four Friends of Haiti in the crisis, believes that before 15 January a solution will be found among the concerned people, whom he asks to conduct mea culpa in order to bring the country out of the current situation."

And in recorded remarks in Creole, Duption says: "We are in favor of a national conference. But it should really be a national conference in Haiti, with Haitians organizing it. We can invite some foreigners to attend and to give their views. But it must be organized by Haitians. There is something greater than us. It is what our ancestors left for us that is in danger today. We must forget our differences now during the current situation; we must see the national interest. I do not think the situation will remain as it is until 15 January. But we must start today in order to find the solution to save Haiti and to show those people who pretend to be our friends what friendship is about. One cannot impose an embargo on a destroyed country, where people and children are dying, on a country where some unthinking people who happen to be Haitians play this game which allows those people (?from the international community) to take a free ride in the name of friendship, in the name of love for Haiti. They like Haiti like pepper likes eyes."

A related item then reports: "The Mobilization for National Development stands against the conference on Haiti. Hubert de Ronceray, talking on behalf of the party, calls for delaying this attempt from President Aristide to hold a national conference in foreign territory. According to de Ronceray, it would be best to talk of an international conference on Haiti because a national conference cannot be held outside of the country."

In recorded remarks in Creole, de Ronceray adds: "I believe that this proposal is another delaying tactic by Aristide so that he can retain the millions of dollars he gets abroad on behalf of Haiti. He continues to impose an embargo on the country in order to destroy it completely. Thus, we think the proposal insults Haiti during this crisis, and Mr. Aristide's conference will be held for himself and his family." De Ronceray also says in other recorded remarks in Creole:

"I was surprised to see that those countries which pretend to be friends of Haiti sent a military delegation to threaten a small country which does not even represent a speck of dust in the face of those big powers. I think it is an abuse, an international shame. We think that what goes around comes around. Today those big countries feel that they must destroy Haiti. They are using Jean-Bertrand Aristide to solve their own problems. Therefore, we think that they are destroying Haiti now just as they did in the past. Tomorrow they will have other problems which will cause them to leave Haiti in peace."

And the last item cites Father Yvon Massac, an Aristide supporter, as saying: "No national conference can be held now in the country, according to Father Yvon Massac in a statement made to Signal FM. The explanation is simple. According to Massac, it is necessary for the Haitian Army and Police chiefs to resign. The Fermathe priest pointed out that the atmosphere of insecurity which is spreading throughout the country would not allow such a conference to be held. Many supporters of the priest-president are forced to go into hiding, he added."

Massac adds in recorded remarks in Creole: "All of Aristide's supporters working here have had to go into hiding in order to save their lives. Those who refuse to hide must not express their opinion in order to avoid being persecuted. Who is going to participate in this conference? Only people that the Army accepts. There are people who are against the return of Aristide to Haiti, even if they pretend to recognize him as president. Aristide as well as his supporters must be against such a conference."

### FRAPH Burns Over 200 Homes in Soleil

*PA2712213093 Madrid EFE in Spanish 2049 GMT 27 Dec 93*

[Text] Port-au-Prince, 27 Dec (EFE)—More than 200 houses in Soleil neighborhood were burned today by members of the extreme right-wing "Front for Haiti's Advancement and Progress (FRAPH)" in an incident that produced at least several dead and injured.

FRAPH members, accompanied by soldiers in uniform, sought to "avenge" the murder of businessman Issa Paul, treasurer of their organization in Soleil. His burned body was found this morning. FRAPH members burned the houses of people they believe could be linked to Paul's murder. Although it is presumed that there are several dead as a result of the FRAPH attack, Haitian radio only confirmed two. Representatives of FRAPH, an organization that became public when the return of constitutional President Jean-Bertrand Aristide was being negotiated, even captured citizens. The soldiers in uniform did not intervene and appeared to be protecting FRAPH members, the radio reported.

FRAPH is made up of armed civilians, mostly former members of the Tonton Macoutes (paramilitary police) that existed during the Duvalier administration.

## Episcopal Conference Denounces Embargo

*FL2712232593 Port-au-Prince Radio Metropole in French 1600 GMT 27 Dec 93*

[Text] In its Christmas message the Episcopal Conference of Haiti denounced the deaths of thousands of children following the sanctions imposed on the country. Accusing the international community of being heartless, the president of the Episcopal Conference, Bishop Francois (Gallot), the Cap-Haitian archbishop, and 10 other Haitian priests point out that even legitimate ends do not justify any means.

Thousands of children die in some regions due to epidemics and lack of medications and appropriate care, assert the bishops, specifying that thousands of other children, from infants to five-year olds, are being deprived of food, thus condemning them to physical, intellectual, and spiritual underdevelopment. Without pretending to over-shadow or minimize the causes which led to the imposition of the sanctions, we think that the solution of a political problem does not go through putting in danger thousands of human lives, state the bishops. The Episcopal Conference of Haiti is against the fact that the majority of the population which caries the weight of the country's economy is marginalized, even excluded, and it points out the needs for justice, freedom, and truth for Haitians.

## PPS Presidential Candidate on Social Programs

*PA2712182193 Mexico City Canal 13 Television Azteca Network in Spanish 1300 GMT 27 Dec 93*

[From the "Good Morning From Mexico" newscast]

[Text] If she were to win the presidential elections, PPS [Popular Socialist Party] candidate Marcela Lombardo would keep the social programs Pronasol [National Solidarity Program] and Procampo [Program of Direct Support to the Countryside].

She says affairs such as the ejido structure and the new legal situation of the clergy must again be as they were before the reforms.

If she were to reach the presidential residence located on the corner of Parque Lira and Periferico Avenues—where he who heads the current six-year government resides—PPS candidate Marcela Lombardo said she would maintain the social programs such as Pronasol and Procampo.

The PPS presidential candidate added that the first draft bill she would send to Congress would be aimed at modifying articles No. 27 and No. 130 of the Constitution so that the ejido again may have the characteristics it used to have and cancel the new legal structure of the clergy.

Marcela Lombardo has said that the electoral platform with which she will participate in the elections establishes her commitment to reverting all the legal reforms that may favor determined economic groups.

The daughter of Vicente Lombardo Toledano, cofounder of the CTM [Confederation of Mexican Workers] and of the party that now postulates her, admitted that her possibilities for winning the election are minimal, because her party is participating separately.

She said that this is because her party's ties with the PRD [Party of the Democratic Revolution] are very scarce due to a number of contradictions, unfulfilled agreements, and even insults.

She has said, however, that she will try to get the PRD democratic currents to join her political platform project.

Regarding the electoral political debate, Lombardo Otero said she will oppose any attempt to make it bilateral or trilateral only.

## Belize

### Government Presents Major Economic Policy

*FL2312184493 Bridgetown CANA in English 1731 GMT 23 Dec 93*

[By Patrick Jones]

[Text] Belize City, Dec 23, CANA—The six-month-old Belize Government has sought to woo the private sector while presenting its first major economic policy and action plan to the Belizean people.

Economic development minister, Dean Barrow, made the presentation during a public forum attended by hundreds of representatives of non-governmental organizations. Barrow said the government's economic policy and action plan is in response to the North American Free Trade Agreement (NAFTA) which becomes effective January 1, 1994 and involves the United States, Canada, and Mexico. A key aspect of the plan involves establishment of a national social and economic advisory task force, comprising government and private-sector representatives, which will advise the government on economic policy. Barrow said the most radical aspect of his government's plan is the involvement of the private sector. "My government wishes to state as clearly and as unequivocally as it can that it is seeking now a full, new and equal partnership with the private sector," he told the gathering.

Traditionally, the United Democratic Party (UDP) under the leadership of Prime Minister Manuel Esquivel, has had a good track record with the private sector and as such the private sector should have welcomed the change of government of June 30, but for various reasons, this has not been uniformly the case, Barrow said.

Barrow said individual differences between government and some elements of the private sector seem to have given rise to the perception that the UDP has become ambivalent about its commitment to market forces. "Well today I would like to set the record straight," Barrow said. "Government's reaction to a few specific arrangements it met when it took office is in no wise to be taken as a lessening of its overall commitment to the private sector."

Commenting on the government's relationship with the private sector, Barrow told Channel Five News that despite differences of opinion with particular individuals and entities in the private sector, his government is ready to put those differences aside and sit down and talk "because this government wants to work with all the private sector."

The president of the Belize Chamber of Commerce and Industry (BCCI), Edward Musa, while welcoming the government's action plan, cautioned that problems could still exist.

## Guatemala

### De Leon on Quezada Nonparticipation in Talks

*PA2812032593 Guatemala City Teleonce Television in Spanish 0400 GMT 27 Dec 93*

[From the "Telepress" newscast]

[Text] President Ramiro de Leon Carpio has declared that the government regrets the nonparticipation of Monsignor Rodolfo Quezada Toruno in the upcoming round of negotiations between the government and the National Guatemalan Revolutionary Unity (URNG), following the Bishops Conference decision not to allow him to attend.

[Begin de Leon recording] We regret the fact Msgr. Quezada Toruno will be unable to attend the meeting. He had been invited by the United Nations, through the UN secretary general. It should be noted that the UN secretary general's representative is the moderator of this peace process, according to the plan we have presented. Given his convoking capacity, the UN secretary general representative invited Msgr. Quezada Toruno to attend this meeting.

However, the Bishops Conference decided not to authorize Msgr. Quezada Toruno to participate at the meeting for the time being, because he would represent the Catholic Church and the Bishops Conference. We regret this decision but we totally respect the decision of the Catholic Church, through the Bishops Conference. I am hopeful the church will indeed participate in the national reconciliation process. I hope the Catholic Church can join the National Reconciliation Commission, because this would give greater validity, legitimacy, and importance to the accomplishments obtained. [end recording]

Meanwhile, the president referred to the National Budget for 1994, which will be the same in effect this year due to the presidential veto of the 1994 Draft Budget Bill. Such a budget will, however, be subject to the necessary adjustments, the president explained. On the other hand, de Leon ruled out any sale of state assets for next year.

[Begin recording] [De Leon] Well, the Finance Ministry is working very hard on the budget for next year. The adjustments will be made in keeping with programmed expenses for 1994. We have no problem with the budget, which is executed by the Executive Branch. Therefore, the appropriations earmarked for social investments—a total of 28 percent of the budget for the first time in the history of Guatemala—will be maintained. The same holds true for operation expenses, which for the first time in many years were reduced to less than 50 percent of total expenses.

Therefore, I do not foresee any trouble with the budget implementation. However, the Finance Ministry will have to work very hard to execute the same, under the direct supervision of the president. These adjustments

and transfers will permit us to execute a reduced budget, but more in line with reality if we are able to carry out programmed social investments.

[Unidentified reporter] Regarding this [words indistinct] next year?

[De Leon] Not for the time being. For now the budget is perfectly balanced and there is no need to sell state-owned assets. [end recording]

### Business Leader on Generalized System of Preferences

*PA2812024593 Guatemala City PRENSA LIBRE in Spanish 24 Dec 93 p 59*

[Excerpts] The U.S. Government decided to extend for six months, within the framework of the Generalized System of Preferences (SGP), the observation period for Guatemala due to charges of violations of labor rights and copyrights, U.S. trade representative Mickey Kantor officially announced on 23 December. [passage omitted]

#### Harmful Probation Period

Meanwhile, Guatemalan Business Chamber Director Otto Becker said the fact that Guatemala was not excluded from the SGP is positive, but the six-month probation period restricts investments in the country.

He noted that a situation of that nature creates a lack of confidence among investors, as there is no certainty that Guatemalan export products will enter the U.S. market with the same acceptance they have had so far.

He deplored the fact that Guatemalan workers have requested sanctions against the country, adding that this not only hurts the economy in general, but in the long run workers will be the most affected by the lack of new jobs.

## Honduras

### Callejas Denies Military Impeding Investigations

*PA2412160593 Paris AFP in Spanish 2251 GMT 22 Dec 93*

[Text] Tegucigalpa, 22 Dec (AFP)—Honduran President Rafael Callejas today denied that the Armed Forces are impeding investigations into forced disappearances, as Human Rights Commissioner Leo Valladares implied.

The Armed Forces "have no interest in withholding the information" that the commissioner is gathering "as long as the established hierarchical channels are followed" in keeping with the military structure, Callejas told the media.

The president said he knows nothing about a report on forced disappearances that Valladares is drafting. Humanitarian groups claim there were 143 such disappearances in the past two decades perpetrated by Armed Forces personnel.

Valladares on 20 December complained that he sent a note to the military requesting information on the missing persons but received no reply.

The official, who was appointed by President Callejas, refused to reveal details on the report he is drafting, but unofficial sources said it will be made public on 29 December.

Valladares recalled the discovery of several clandestine cemeteries near Tegucigalpa in 1982 and said that investigations would be intensified if "new" discoveries are made.

A source linked to the commissioner said Valladares deplored the fact that a statement involving the discovery of "nine" clandestine cemeteries was attributed to him.

Ramon Custodio, president of the nongovernmental Human Rights Defense Committee (CODEH), said during a telephone interview that he spoke to Valladares about the alleged discovery.

"He actually said (on 20 December after meeting with Callejas) that new clandestine cemeteries could be discovered during the current investigations," Custodio said.

Custodio recalled the discovery of clandestine cemeteries in La Montanita, 12 km east of Tegucigalpa, in Zambrano, about 39 km to the north, and in El Carpintero, 18 km to the northeast.

"Certain bodies were not exhumed (on that occasion) because they were searching for Costa Ricans Francisco Fairen and Yolanda Solis," who disappeared on 11 December 1981.

Sources at the Human Rights Commissioner's Office said that the report will not be revealed on 28 December as anticipated by Valladares because that is [Latin America's] April Fool's Day and there are a lot of practical jokes, thus people could think that the report is a joke, as has been the case in the past with similar announcements.

### General Denies Suit Against DIC Leadership Eligibility

*PA2412033693 Tegucigalpa LA TRIBUNA in Spanish 21 Dec 93 p 10*

[Text] The Armed Forces will not resort to filing a suit of unconstitutionality against the ban on officers directing the Department of Criminal Investigation (DIC) and considers the fact that they were not taken into account as a "waste."

Brigadier General Reynaldo Andino Flores, chairman of the Armed Forces Joint Chiefs of Staff, in statements issued yesterday at the Government Palace, denied that the absence of the top command from the closing of Congress ceremony was due to grievances over the DIC direction. The number two man in the Armed Forces explained that that day (Friday) coincided with the last session of the Senior Council of the Armed Forces

(COSUFFA). Andino Flores stressed that the Armed Forces have been clear and a COSUFFA communique clearly spelled out the intention to resign from all relations with the DIC.

In this regard Brig. Gen. Andino Flores said that the statements by Public Security Forces commander Colonel Mario Hung Pacheco were misinterpreted "because we have never thought of presenting a writ of constitutionality." Andino Flores reiterated that they were discriminated against and the documentation drafted by the ad hoc commission was interfered with. He considers it to be untrue that the military meddled because the prosecutor general is a person with sufficient authority in every aspect and would not allow such irregularities.

Hung Pacheco said that a military officer with the proper criminology training could direct the DIC provided he left the service. Andino Flores admitted that "this would be the ideal procedure." With Honduras having very few resources, "it would be an enormous waste if after the state has invested in training a Honduran in a certain field, when the times comes he is discriminated against only because he is a member of the military."

Reacting to statements by Ramon Custodio, president of the Honduran Human Rights Committee (CODEH), to the effect that police officers are treated as dropouts and are directed by other branches of the Armed Forces, Brig. Gen. Andino Flores suggested that Custodio refrain from talking about things he does not know or understand. He explained that the rank of general is needed to fulfill the post of police commander, but police officers rarely attain the rank of major.

As far as Andino Flores is concerned, Police Commander Mario Hung Pacheco, who is only an infantry colonel, is an excellent officer whose only problem is that he is not a policeman. He then said that the Armed Forces are always willing to report human rights information and recommended to Human Rights National Commissioner Leo Valladares that whenever he needs information he should request it through the appropriate channels.

Regarding banker Jaime Rosenthal's hopes to become minister of defense, Andino Flores said that "we can all be ambitious, but we must see if we fulfill the requirements." On this point he said laws would need to be modified for this to take place and when asked what his reaction would be, Andino Flores replied that "the Armed Forces are a respectful and nondeliberative institution."

He stressed that the economic measures have affected members of the military much the same way as all Hondurans and proof of this is that this year's military celebrations were very modest.

## Argentina

### Justice Minister Resigns, Seeks Ombudsman Post

*PY2712161493 Buenos Aires LA PRENSA in Spanish 24 Dec 93 Section 1 p 4*

[Text] President Carlos Menem has announced that Justice Minister Jorge Maiorano asked to be appointed ombudsman and that former Supreme Court justice Rodolfo Barra might replace him.

Menem also admitted that Senator Jose Bordon (PJ-Mendoza) [Justicialist Party-Mendoza Province] will be his most qualified opponent in the 1995 Justicialist primaries and ruled out the possibility of signing pardons before the end of the year. The president made these announcements during a Christmas party he hosted yesterday afternoon for journalists accredited to Government House.

Menem announced that Maiorano asked a few days ago to leave the Justice Ministry in order to head the ombudsman's office.

With this announcement, Menem confirmed reports released by government officials who over the past few weeks spoke of the departure of the justice minister and other members of the cabinet.

### Employers' Social Contributions on Wages Cut

*PY2412002793 Buenos Aires BUENOS AIRES HERALD in English 23 Dec 93 p 1*

[Text] (NA-DYN)—Employer contributions on wages were cut between 30 and 80 percent in an effect to reduce the "Argentine cost" yesterday.

The reductions were contained in an executive branch decree and they will severely affect the finances of Argentina's labour unions, which have received the equivalent of six percent of all wages from employers for over 20 years.

The decree is a victory for Economy Minister Domingo Cavallo, who had been seeking to cut wage taxes from the start of his economic programme, but it was a sharp blow to Labour Minister Enrique Rodriguez and forced his resignation yesterday.

The reduction will be for all employer contributions and will begin with the payment of January's wages at the end of next month.

Until now, employers paid a very large additional on their payrolls for social security contributions, including the obras sociales [social security system] of the labour unions, pension funds and other items, apart from the contributions taken directly out of workers' nominal salaries.

The reductions will vary from province to province. In the Federal Capital, the reduction will be of 30 percent where employers will, starting January, pay the following percentages: 11.2 for pensions, 5.3 for family subsidies, 4.2 for obras sociales, 1.4 for the INSSJP [National Institute for Social Services for Pensioners and Retirees] and one percent for the employment fund, a total of 23.1 percent.

### Cuts To 'Severely Affect' Unions

*PY2412010893 Buenos Aires BUENOS AIRES HERALD in English 23 Dec 93 p 3*

[Text] The lowering of wage deductions announced yesterday, apart from angering Labour Minister Enrique Rodriguez and forcing his resignation could severely affect the huge amounts of money Argentina's unions obtain from workers' salaries.

The unions receive some 3.2 billion dollars each year from wage deductions, money meant to fund the medical and social services they provide to their members but which is also responsible for the tremendous political clout of the Argentine labour movement.

These were first instituted by the military government of General Juan Carlos Ongania over 20 years ago in an attempt to win the favour of the unions. In the end the military government had to go but the deductions stayed. The military government granted unions the equivalent of six percent of all wages in Argentina, to be paid from employer accounts.

Yet the generous sums received were not sufficient to keep the medical services in the black, and many unions have for long periods owed large amounts in unpaid taxes to successive governments, debts that the governments in question have been willing to forgive in return for labour support.

### UCR Radical Convergence Launches Campaign

*PY2312133093 Buenos Aires NOTICIAS ARGENTINAS in Spanish 1132 GMT 22 Dec 93*

[Text] Buenos Aires, 20 Dec (NA)—In a ceremony marked by criticism of both Raul Alfonsin, the UCR [Radical Civic Union] National Committee president, and the agreement on the constitutional reform, Radical Convergence [Convergencia Radical], the main anti-Alfonsin faction in Buenos Aires Province, headed by Federico Storani and Juan Manuel Casella, launched a nationwide campaign.

Radical Convergence will be supported by Mendoza Province leader Victor Fayad, Corrientes Province leader Noel Breard, Buenos Aires Province leader Angel Roig, and Salta Province leader Miguel Pesce, among other leaders who are opposed to the National Committee's leadership, headed by Alfonsin.

During the ceremony, Storani confirmed that a group of UCR deputies will vote against the law on the necessity of a constitutional reform, "even if they are accused of party indiscipline."

Storani said: "The legislators who might oppose the reform will not be disobeying the national convention's mandate because the decision made at the national convention was different from the one they now want us to vote on blindly. The first point of the document drawn up in La Pampa said the current plan could be expanded and changed."

Asked about his attitude if he is punished for not voting for the constitutional reform project, Storani said he would ask for "the implementation of the same criterion for those who first betrayed the national convention's mandate, and the first one punished would be Alfonsin."

The deputy also pointed out that the UCR "is losing power due to the agreement, and this was clearly expressed by the [UCR] deputies bloc's split vote."

Storani also said: "The latest steps taken by the Central Committee leadership represent abandoning control over power and allowing the main political opposition force to be absorbed by (Carlos) Menem's power."

In reference to the criticisms made by Alfonsin against Economy Minister Domingo Cavallo over the incidents in Santiago del Estero, Storani said: "They are not very credible because in the past Alfonsin was harshly critical of President Carlos Menem at the institutional level and now he is signing the agreement."

Regarding the serious incidents in Santiago del Estero, Storani said that in that province "the UCR was the recipient of social demands but now that (Jose) Zavalia identifies himself with Menem's reelection, his opposition role has disappeared."

Juan Manuel Casella, former candidate for governor of Buenos Aires Province, agreed with Storani by saying: "Zavalia suffered the consequences of the Santiago del Estero incidents because he is identified with the agreement."

Casella added: "Something extraordinary happened in Santiago del Estero because the people opposed the governor, the former governor, the opposition within the Justicialist Party, and also the UCR because Zavalia is part of the reform agreement."

Regarding the Radical Convergence's launching at the national level, Casella said: "The UCR's identity must be preserved because the government deserves it and the system needs a clear opposition."

In this regard, Storani admitted that the agreement for the constitutional reform "precipitated the launching of this movement at the national level beyond the plans already made."

Storani said: "There was an urgent need to create alternatives at the national level that we believe will represent the opinion of the large majority of UCR militants." He added that the National Convergence "will prove that the alleged image of euphoria in the UCR over the agreement is not true."

### Democratic Center Party Elects Leaders

*PY2712202793 Buenos Aires LA PRENSA in Spanish 19 Dec 93 p 7*

[Text] The Democratic Center Union (UCeDe) National Committee chose its new leaders on 18 December during a national plenary meeting of party leaders. Norberto Agrelo, a close assistant of Cordoban German Kammerath, was elected president, and Agustin Pieroni and Alvaro Alsogaray Jr. were elected vice presidents.

The plenary session, which was held in a downtown Buenos Aires hotel, also elected the party's national board members: Enrique Braun (national secretary), Hugo Bontempo (treasurer), and Luis Vazquez (assistant treasurer), in addition to two secretaries and four other members.

The designation of new UCeDe leaders, which according to party statutes is made every two years, coincides with the political opportunity to start party activities for the upcoming election of Constituent Assembly delegates.

## Bolivia

### ADN Elects National Executive Without Banzer

*PY2712173493 La Paz LA RAZON in Spanish 15 Dec 93 p A7*

[Excerpts] For the first time in its history as a political party, the ADN [Nationalist Democratic Action] on 14 December began a new political era with the naming of the National Executive Committee. The natural leader of the ADN, Hugo Banzer Suarez, has been replaced by Senator Jorge Landivar as the party's chief national executive.

The top ADN leaders indicated that the party reorganization seeks to adjust the party to current national reality, to allow the grassroots ample participation in decision making, and to prepare it to be a real power option for 1997. [passage omitted]

The new ADN National Executive Committee includes the following persons: Jorge Quiroga, executive secretary; Walter Guiteras, territorial organization secretary; Fernando Unzueta, functional organization secretary; Victor Hugo Perez, finance secretary; Manfredo Kemppf, press secretary; Enrique Toro, congressional coordination secretary; Marcelo Ostria, general secretary; Jaime Ascarrunz, electoral affairs secretary; Javier Murillo, international relations secretary; and Gaston Moreira, human relations secretary. [passage omitted]

### * YPFB President Discusses Privatization

*94SM0128A La Paz EL DIARIO in Spanish 31 Oct 93 p 10*

[Text] Bolivian Government Oil Deposits (YPFB) needs an investment of $500 million to $600 million to cover its

prospecting and drilling projects for the next four years, stated Mauricio Gonzales, president of that company.

He indicated that YPFB has limited resources to invest in producing oilfields, which means that capitalization is a necessary step.

He reported that YPFB earns approximately $282 million a year, of which $168 million comes from the domestic market and $15 million from gas sales to Argentina. This is YPFB's net income, after withholding by the country's General Treasury.

In addition, its accounts receivable, tax credit, and loan disbursements amount to $42 million.

Gonzales noted that YPFB's expenditures amount to $200 million, of which $147 million represents operating expenses, $40 million salaries, $15 million Social Security contributions for personnel, $16 million third-party services, $8 million insurance, $34 million materials, and $34 million other operating expenses [as published].

Gonzales stated that YPFB's debt is another factor requiring significant outlays, totaling $52 million.

After the arithmetic is done, he said, the company has $81.4 million available for investment, of which $63 million is from internal resources, $41 million from external loans (the same amount as disbursements), and a deficit of $24 million that is owed to YPFB's suppliers.

If that floating debt, which is $40 million that YPFB invests out of its own resources, is subtracted from the total, actually $60 million of YPFB's investments comes from borrowed resources, he said. This means that only $100 million is invested throughout the country, and national production must be maintained on that.

**Little for Investment**

In view of this fact, Gonzales emphasized that a very small amount is left over for investment in prospecting. Thus, the company's situation is unsteady, given the amount of investment required in the sector. That is why it needs capitalization so urgently.

"The long-term solution will undoubtedly be capitalization, because only in that way will we obtain the resources we need to develop the energy sector," he added.

In this regard, the resources the company has available for investment "are nowhere near what the sector needs, because instead of $100 million, YPFB should be investing $500 million to $600 million a year, and the only way is to capitalize the company."

Gonzales stated that a large amount of credit is to be disbursed in fiscal 1994, in addition to a massive incentive that will come from capitalization.

He reported that in July, investments amounted to 8.47 million bolivianos; in August, 8.8 million; and in September, 9.995 million, a considerable increase for the company.

Specifically, he explained that 2,677 meters of drilling was done in July, 3,685 meters in August, and 8,907 meters in September, twice as much as the July figure.

**Capitalization Plan**

Furthermore, Gonzales said that there had been success with several foreign firms as a result of the program to promote the capitalization plan at various seminars in the country to the north.

He indicated that so far, various companies have visited the country to obtain more information about this process and to study the areas where prospecting and drilling are to take place throughout the national territory.

Gonzales emphasized that the country has an extensive virgin area with great potential for hydrocarbon development, which is undoubtedly an attractive proposal for international oil companies. In this connection, he mentioned the Canadian oil firm NORCEN International Ltd., which is conducting negotiations with YPFB to sign a partnership agreement for prospecting in Block 10 in the department of Santa Cruz.

That company has said that it is very interested in investing in the country's hydrocarbon sector in the hopes of finding large deposits that will yield major profits for both YPFB and itself.

"This negotiation is for the first of many contracts that will be signed, all within the capitalization plan that the national government is pursuing," stated the president of the state oil company.

He indicated that once the capitalization plan is implemented, YPFB will have enough resources to carry out a large-scale prospecting plan throughout the country, which will doubtless yield significant oil royalties for every department in the country.

## Brazil

### Armed Forces Acknowledge 144 Missing Persons Dead

*PY2712204893 Rio de Janeiro O GLOBO in Portuguese 13 Dec 93 p 5*

[Article by Ricardo Amaral from Brasilia]

[Text] The Armed Forces have officially acknowledged for the first time since 1964 that 144 leftist militants, who had been reported missing, are dead. This was made public by Deputy Nilmario Miranda (PT-MG) [Workers' Party-Minas Gerais], chairman of the Chamber of Deputies Foreign Affairs Committee delving into this affair. The official list included former MR-8 [8 October Revolutionary Movement] leader Stuart Edgard Angel

Jones. Justice Minister Mauricio Correa had sent Miranda reports on the deaths of missing persons on political grounds drafted by the Army, Navy, and aeronautics ministers. Miranda told O GLOBO the content of the Navy Ministry's document, which deals with cases involving 66 missing persons. The other reports are confidential.

According to the Navy Ministry, Stuart Angel, son of designer Zuzu Angel and brother of journalist Hildegard Angel, "died at the Army's Central Hospital on 5 January 1971 after being stabbed by a prison mate." The official report contradicts testimony by Alex Polari, who had been imprisoned on political grounds, before the Brazilian Amnesty Committee [CBA]. According to Polari, Stuart Angel was taken into custody five months later, on 14 May 1971, and tortured to death at the Galeao Air Base.

Deputy Miranda said: Despite the discrepancy in the dates, the important thing about that report is the official acknowledgement that Stuart Angel died while he was in state custody. This opens the door so that his family and those of other missing persons included in the aforementioned report may prefer charges against the federal government.

According to Miranda, the reports that the three military ministries put together provide information about the deaths of 144 missing persons that are included on the lists of the CBA and others who were not considered missing persons on political grounds. The list included a whole group of card-carrying members of the PCdoB [Brazilian Communist Party] who died in the guerrilla war of Araguaia (at the beginning of the 70's). According to the deputy, the majority of the deaths were officially registered after they had been sent to jail.

Miranda now intends to have the Army and Aeronautics Ministries' reports on missing people on political grounds publicized. He also wants to find the legal mechanisms so the Armed Forces will submit all the information they have at their disposal so the state can make moral and financial reparations to the victims' families.

## Acting Mines, Energy Minister Named

*PY2712221693 Brasilia Voz do Brasil Network in Portuguese 2100 GMT 27 Dec 93*

[Report by Luiz Alberto Mendonca from Planalto Palace]

[Text] President Itamar Franco arrived in Brasilia from Juiz de Fora, where he spent Christmas, at around 1400. He went to Alvorada Palace to have lunch and change his clothes, and then came to Planalto Palace, where he named Science and Technology Minister Jose Israel Vargas as acting mines and energy minister. Vargas will replace Paulino Cicero, who stepped down to run in the 1994 elections.

At Planalto Palace tomorrow, (Leonor Franco) will be installed as social welfare minister, while Jose Israel Vargas will be installed as acting mines and energy minister.

## Embratel Lays Fiber Optic Cable to U.S.

*PY2712121793 Sao Paulo GAZETA MERCANTIL in Portuguese 17 Dec 93 p 11*

[Article by Heloisa Magalhaes]

[Text] Embratel [Brazilian Telecommunications Company] will today officially launch, at the Futuro beach in Fortaleza, the America 1 submarine fiber optics cable which is scheduled to become operational next July. The ceremony will be conducted by Communications Minister Hugo Napoleao. This new cable will link Brazil and countries of the River Plate Basin with the United States. The operation to lay the cable that will reach Fortaleza began in Saint Thomas in the Caribbean on 14 November.

The ship that will lay the cable will start work today and the final adjustments on the portion between Saint Thomas and Fortaleza will begin on 28 January 1994. The Brazilian fiber optics network, that by 1995 is planned to connect all main Brazilian cities, will be connected to the North American and European systems, in the latter case to the Colombus II cable.

The international fiber optics network will interconnect some 40 countries, with the exception of African countries. It will have a capacity of 15,120 channels, that is, 25 times more than the channels of the Brus system, a submarine cable like the one that currently links Brazil with the United States. These 15,120 high speed data transmission channels may be expanded to 28,000 channels, enabling 28,000 simultaneous telephone calls. The international fiber optics network requires an investment of $86 million.

## Economists View Economic Growth, Inflation

*PY2712172393 Rio de Janeiro O GLOBO in Portuguese 26 Dec 93 p 35*

[Article by Lea Cristina]

[Text] The year 1993 will not be forgotten easily. There are good reasons for this—increased income per capita after three consecutive years of accumulated losses, increased industrial production, better sales, and a better performance of the economy in general. However, there is a negative side that, at least statistically speaking, is more striking than the aforementioned indicators: Brazilian inflation has never been as high during the January-December period—the accumulated National Consumer Price Index (INPC) will total 2,495 percent, thus surpassing the 1989 record (1,863 percent).

Economists Carlos Longoni and Francisco de Assis Moura de Mello have said that this reflects the crisis

facing the public sector and clearly show that the main causes of inflation are in this field. Moura de Mello minimized the issue, stating that in previous years the figures could have been worse but they were controlled because inflation was repressed by price control. He stated: "In previous years inflation was disguised."

Now, however, there are positive signs in some sectors. The economy really began to recover in October 1992 when it was decided to impeach Fernando Collor and the country took another path. It was not very great, not strong enough to solve the problem of debts accrued since 1990, but it was enough to give the country a certain relief. By mid-year the people began to wonder if we were about to resume growth. Real interests offered negative rates and recession seemed a thing of the past.

As of September, however, the industrial sector has slowed down, the employment rate has started to drop, and it became more evident that there was no economic growth. It was just a sudden recovery that will result in an estimated GDP—the result of all goods and services produced in the country—of 4.5 percent, an industrial production level of 8.5 percent, and an increase of 2.5 percent per head in incomes. To resume growth the country needs to reinvest: The investment rate bottomed out in 1992 (at 14.5 percent of the GDP) and should total 15.2 percent in 1993. This is far from representing a great recovery (in the 1970's the average was 23 percent).

The job opportunities market had its ups and downs. The unemployment rate will be below the 5.8 percent achieved in 1992, but it shows employment growth in various sectors. The employment rate in the industrial field will be negative (by October it registered a negative 2 percent rate.) Average real salaries will increase (by September the accumulated increase amounted to 7 percent according to the Seade [State Date Analysis System] Foundation). The gains obtained by workers, however, are not in proportion to the gains obtained by the economy in general.

The accumulated industrial production to September totals 17.9 percent. The Brazilian Institute of Geography and Statistics (IBGE) estimates that by the end of 1993 this will drop to 15 percent. Even so this will be an all-time record since productivity started to be calculated in 1980. The best result so far was 10.5 percent in 1991.

International reserves also performed well. Available international reserves which in late 1992 amounted to $19 billion have increased to $27 billion. The trade balance surplus (11.8 percent) experienced a drop because exports only increased slightly (9 percent) compared to imports (23.5 percent). An agreement on the foreign debt has been reached and Brazilian society seems to have finally understood that a fiscal adjustment is necessary to solve the economic crisis, according to economist Claudio Contador who believes 1993 was beneficial overall.

## Growing Coffee Exports to Russia Announced

*PY2712130793 Brasilia Radio Nacional da Amazonia Network in Portuguese 0900 GMT 27 Dec 93*

[Text] Brazil will close 1993 registering an 11 percent increase in instant coffee exports. The Brazilian Association of Instant Coffee Industries, ABICS, has reported that 2.6 million sacks of the product were exported this year.

Russia contributed the most to this increase, importing 780,000 sacks of Brazilian coffee.

## Editorial Criticizes Franco's Performance

*PY2512144393 Sao Paulo FOLHA DE SAO PAULO in Portuguese 23 Dec 93 Section 1 p 2*

[Editorial: "The Pilot Has Disappeared"]

[Text] Itamar Franco has apparently failed to notice the consequences of his growing isolation. His clumsy cabinet reshuffle attempt has elicited strong negative reactions from the two largest parties and threatened to leave the finance minister without support in Congress. In other words, the disastrous ministerial replacements became another factor that jeopardizes the approval of the economic plan, which is showing serious indications of failure on its most important point: the reduction of public spending.

It is imperative to reform the economy. Implementation of the reform calls for political investment in order to obtain support, overcome resistance to government spending, and have Congress approve the measures. Franco is the only person to whom this does not seem obvious.

The list of organizations that have managed to resist the reduction of funds—so far, they are the military, the Attorney General's Office, and the legislative and judicial branches—is growing every day. Without a bloc leader in the Chamber of Deputies, and after doing away with the support of some groups—as was shown by the cabinet reshuffle, which was implemented against the politicians' will—Planalto Palace has begun to see the signals that the list will grow. State and municipal governments seem to be the next candidates to defeat the budget cuts. At least, Fernando Henrique Cardoso is ready to "negotiate" the cuts in federal union fund transfers. Having no political support, it is hard to imagine with what he will negotiate.

The president made up his cabinet with a group of unknown people who have no links to political sectors. With an apathetic attitude, he has restricted his ambitions to the modest plan of handing over a country with free elections to his successor. Franco seems to be heading for isolation from the country's most urgent needs.

### Column Sees Fading Support for Economic Plan

*PY2412183393 Sao Paulo O ESTADO DE SAO PAULO in Portuguese 23 Dec 93 p A6*

[From the "Coluna do Estado" by Cristiana Lobo]

[Text] Political support for Finance Minister Fernando Henrique Cardoso's plan is becoming weaker everyday. The only consensus is that it is necessary to eliminate the budget deficit and attach priority to the fiscal adjustment, but there is not the slightest signal yet of a proposal that can be supported by a majority.

In the Chamber of Deputies there are many lawmakers' speeches criticizing the economic plan. The votes needed for approving the plan are precisely there.

Talks with party presidents are important, but they do not yield votes. They do not produce the support of governors either. With very few exceptions, party presidents no longer lead party blocs.

The situation has been aggravated by the distance between the parties and President Itamar Franco on the cabinet reshuffle. On 22 December, in another personal decision, (although for a temporary term) the president chose Minas Gerais leader Djalma Moraes, the president of Telemig, as the minister of communication.

This difficult political situation has led some politicians to think that Fernando Henrique Cardoso is ready to leave the government if the fiscal adjustment plan is not approved on schedule before the end of January.

## Chile

### Pinochet 'Will Remain' in Army 'Until 1997'

*PY2712144793 Madrid EFE in Spanish 1724 GMT 26 Dec 93*

[Text] Santiago, 26 Dec (EFE)—It was disclosed today that Chilean Army Commander General Augusto Pinochet has said he will remain in his post until 1997 and until "all pending institutional issues" are solved.

Between 1973 and 1990 Pinochet headed the military regime that governed Chile. Since March 1990, in his capacity as Army commander, Pinochet has maintained a difficult relationship with the democratic government of President Patricio Aylwin.

In a statement to the daily LA TERCERA, Pinochet said: "I will remain in the Army for the next four years."

Under the 1980 military Constitution, the commanders of the Armed Forces may remain in their posts until 1997, although when President Aylwin assumed the presidency in March 1990 he asked them to resign. Navy Commander Jose Toribio Merino was the only one to do so.

Aylwin confirmed Air Force Commander General Fernando Matthei in his post and was forced to accept Pinochet's refusal to resign. Pinochet said he would remain as Army commander to guarantee the safety of Army personnel and the institution.

Pinochet admitted that the first years of the democratic government were "very hard" for him, adding that after four years of civilian-military relations "there is more mutual confidence."

"We maintained a military government for 17 years during which the four institutions undoubtedly faced problems, but we were engaged in a constant war," said Pinochet, explaining that they confronted the "terrorism" that was unleashed in the country and this "created an atmosphere against the Armed Forces."

He added: "Four years have now passed and we have proven with concrete deeds that we respect the institutional system."

Pinochet later stressed that the Army is an institution subordinated to the state and the president of the Republic.

He recalled the military movement staged by the Army last May to show its unrest over the number of pending institutional problems.

He said these problems had been fully solved thanks to Aylwin's direct intervention, for which he thanked him very much.

Pinochet said the only pending issues are of a judicial nature, referring to the human rights violation trials in which members of the Army are involved.

He especially referred to the trial over the murder of Spanish citizen Carmelo Soria in July 1976, saying that the Army had nothing to do with this case.

"He died 17 years ago. There has been time since then to file charges, but no, they do so now. I believe all they seek is to improve the image of their own countries." stated Pinochet.

According to the civilian court, Soria, who worked for the United Nations, was murdered by members of the former secret police of the military regime.

The Spanish Government has showed special interest in clarifying the case and has requested the appointment of a trial judge to investigate the crime. The request was honored by the Chilean Supreme Court a week ago.

Pinochet also said that during the past years a campaign has been orchestrated "to destroy the Armed Forces."

### Future Defense Minister on Army Relations

*PY2712144293 Madrid EFE in Spanish 0157 GMT 27 Dec 93*

[Text] Santiago, 26 Dec (EFE)—Edmundo Perez Yoma, who will be the defense minister in President-elect Eduardo Frei's future government, predicted today that

the government will maintain cordial relations with the Armed Forces, particularly with General Augusto Pinochet.

Perez Yoma, an entrepreneur and a Christian Democratic Party follower, said during an interview on Channel 7 television that he is sure "relations will be very harmonious" between Frei and the Army commander in chief.

Perez Yoma said that it is a matter of principle for the new government to reestablish the executive branch prerogative to remove the higher military chiefs, which it is prevented from doing so by the current Constitution.

He said that a wide consensus was needed to reform the respective Constitutional article. The minister said he trusted the future government, which will be sworn in on 11 March, will persuade the right wing opposition and convince the military on the need for this reform.

He made clear, however, that the matter will not be a priority for the next government.

Perez added that his portfolio and the next government expect relations between the government and the Armed Forces will be as established in the organic law and as marked by Chilean tradition.

That is, an Armed Forces "attitude of subordination, respect, and obedience and an attitude by the civilian power of respect for the professionalism of the Armed Forces," he said.

Asked if the president-elect will request the resignation of the Army commander in chief, the future minister said that, under the Constitution, Gen. Pinochet can continue in his post until 1997. "I do not think President Frei will accelerate Gen. Pinochet's retirement directly or indirectly," he stressed.

### Financial Company Office Bombed in Valparaiso

*PY2712122793 Madrid EFE in Spanish 1419 GMT 26 Dec 93*

[Text] Santiago, 26 Dec (EFE)—A police report released today states that a very powerful bomb was thrown on 25 December at a Finandes financial company office in the stock exchange district of the Chilean city of Valparaiso, 125 km northwest of Santiago. It did not cause any casualties.

The explosion occurred at about 0400, substantially damaging windows and doors as well as causing minor damage to nearby offices, including those of the Belgian consulate.

Police sources have reported that no extremist group so far has claimed the attack.

The sources added that patrolling of malls was increased during the Christmas period following the discovery of fire bombs installed in teddy bears in a mall in Santiago and in a shop in southern Chile.

The militarized Carabineros police have reported that 14 people were killed in traffic accidents, including seven pedestrians who were run over, during the Christmas celebrations.

## Colombia

### * Pastrana Sends Message to Party Convention

*94SM0129A Santa Fe de Bogota EL TIEMPO in Spanish 29 Nov 93 p 8A*

[Text] In a letter to those attending his party's convention, presidential aspirant Andres Pastrana urged Conservatives to overcome divisive tendencies and rally around a national cause. Here is the text of his letter:

Dear Convention Delegates and Friends:

For a country whose Constitution sought to institutionalize the parties' actions, the event that will take place tomorrow (yesterday) in the 32 department capitals of our country is a positive step that Colombians—and especially Conservatives, of course—should hail.

This competitive event has two major meanings: First, it is a gathering of people united around a number of ideals and a lofty series of proposals. It brings together in the party the people who have served it so well in the past and those who today speak for it in the various representative bodies, as well as young people, women, and others who are becoming more active and involved as they look optimistically toward the future of the nation.

And second, in keeping with the latest developments in the world, which are already reflected in our country, it is a decentralized, regionalized contest that heeds the concerns of each province, not from the centralized standpoint of the apex of the pyramid looking down at the base, which used to be the norm in political organizations.

The world has gotten rid of ideologies, in the dogmatic sense of the term, in which salvation was impossible for anything outside the exclusive realm of a given doctrine, and it was imperative that followers swear undying loyalty, no matter what errors were committed by their leaders, even sins against higher values and principles. Not only in Colombia, as is reported so frequently in the media, but in the now prevalent idea of democracy in the world, there is no more partisanship, known as "partidocracy" in Italy: that unconditional support for the collective that sharply divided the country during elections and forced it to try to unite afterwards in the distribution of power. It was this partisanship that lulled the Italian peninsula into complacency and allowed corruption to engulf the state, with repercussions in vast sectors of civil society, including both industry and labor.

But, I repeat, the feelings of support for traditional parties and emerging movements have not disappeared; if they did, they would take with them the essence of the debate on issues and ideas and on the crisis in democracy, turning it

into a body without a soul. What is needed is what the Liberator Bolivar demanded in his final hours: The parties should become not divisive factors, but unifying factors. Differing ideas should become a focal point, bringing together the will of a nation.

The bylaws of the Conservative Party wisely provide for this possibility when they state:

"As a consequence of obvious and inevitable developments, the Conservatives believe that in the years to come, partisan governments will be very harmful to nations. Among other reasons it is because they divert from the common goal of protecting and defending the social conglomerate capacities and talents, and efforts and virtues that society has a right to expect from all of its members during difficult times in history."

I feel that I am drawing upon a longstanding tradition of government leaders and philosophers in this organization when I say that the party's candidate should aim to bring together the entire nation. I would venture to say that, without naming the person who will represent the party in the upcoming contest to choose the chief of state, we could well give him his mandate right now. We are at the dawn of a new century that also marks the beginning of a new millennium, and we cannot be at odds as we approach that fascinating moment in the history of mankind and of our nation; we must be united in our actions.

The appropriate action right now is not to contaminate our followers with blind passions that have only done harm to Colombia when they have been invoked in the past. If we look at the many elections that have been held in different parts of the world, it is difficult to find one in which the electorate has been urged to vote for a party candidate merely because he bears the baptismal certificate of sectarianism.

Parties that want to survive in the hearts of the people must be abundant tributaries of the great river of the fatherland, and must leave behind their hateful past so that they can propel the nation toward a future that is kind, not just to a few, but to all Colombians.

Rather than mere conventions, I see these gatherings as a constituent assembly of Conservatives, aimed at modernizing the structures that are to govern the party in keeping with modern times in Colombia. And in the face of this Herculean task, inspired by a spirit of reconciliation that goes beyond mere electoral mechanisms or advantages of individuals or groups, I take great pleasure in wishing you the greatest success.

Your compatriot and fellow party member,

Andres Pastrana

## * Intensification of Violence in Uraba Viewed

*94SM0121A Santa Fe de Bogota EL ESPECTADOR in Spanish 21 Nov 93 p 10A*

[Text] Medellin—Uraba is a land of sharp contrasts: the green of the banana plantations, the red of the plantation workers' spilled blood; the wealth, the extreme poverty, and the deficiency of public services; the peace proclaimed and attempted a thousand times; the uncontrolled, overwhelming violence.

A report released this week by the Office of the Municipal Spokesperson of Apartado states that so far this year, 358 people have met violent deaths in the region, and in the first 18 days of November there were 51 victims, most of them banana workers.

On Thursday, minutes after the report was released, authorities reported the murder of another nine people on plantations in the banana-growing region (Chigorodo, Carepa, Apartado, Turbo); and on Friday afternoon, as this report was being written, it was learned that the leader of the Communist Party, Mario Alvarez, who worked on the La Tablaza plantation in Apartado, had been shot to death by several men as he was on his way to work.

Authorities attributed the murder to members of the so-called People's Commandos, a name that does not mean much to investigators because the perpetrators of violence in the region bear a confusing number of labels: guerrillas (EPL [Popular Liberation Army] dissidents, ELN [Army of National Liberation], FARC [Revolutionary Armed Forces of Colombia]), farmers' self-defense groups, paramilitary groups, popular militias, narcoguerrillas, common criminals. And to make matters worse, no one heard or saw anything.

"The only thing we know for certain is that the crimes are similar: They arrive at the plantations, go in, kill the people they are looking for, and leave," said Nelson Campo Nunez, mayor of Apartado.

The Diocese of Apartado, which is led by Monsignor Isaias Duarte Cancino, issued a communique denouncing the incidents. The document, signed by a hundred or so priests and nuns, claims that most of the crimes are politically motivated, and warns: "There will be no democratic elections in Uraba without respect for liberty and the right to vote one's conscience. The quest for power and the desire to stake out spheres of influence have caused not only infringement of the freedom of thought and elimination of political options, but also atrocities against human life itself."

With regard to public order, the situation in the region is, once again, tense and alarming, say authorities, residents, and labor, community, and political leaders.

The president's adviser on Uraba, Jose Noe Rios Munoz, summoned civilian officials and representatives of the Armed Forces to a Special Security Council next Tuesday, and he has scheduled a meeting of the leaders

of various sectors for Wednesday so that they can consider proposals to resolve this tragic situation.

**Searching for Culprits**

Monsignor Isaias Duarte Cancino believes that the violence in Uraba is the work of "groups who take justice into their own hands in response to guerrilla actions; many small towns in the northern part of the region have been evacuated out of fear of these groups."

Antioquia Interior Secretary Ivan Felipe Palacio stated, "We have information that some groups other than the guerrillas have been causing disturbances in the area, but we are investigating their origins."

The president of the movement Hope, Peace, and Liberty, Mario Agudelo, blamed the crimes on guerrilias of the FARC and dissidents of the EPL. A representative of the Communist Party, on the other hand, blamed self-defense groups, formed by reformed guerrillas and people he called "disenchanted" members of the EPL, and paramilitary groups.

The commander of the Army's Operative Command No. 1, Colonel Fernando Becerra, indicated that "we will fight any armed group that is not in the Armed Forces here. The only armed groups I know of that have a presence in the region are the FARC, the dissidents of the EPL, the ELN, and common criminals."

The former mayor of Apartado, Jose Antonio Lopez Bula, a member of the Patriotic Union, attributed the violence in the region to the self-proclaimed People's Commandos, which are paramilitary groups. He said, "Those of us who are politically active in the region are extremely concerned about the deterioration of public order in the area as a consequence of the actions of armed groups that are operating on the banana plantations and even in the urban centers. They are committing all kinds of crimes, ranging from coercion and intimidation to the murder of persons who do not share their ideas or their violent methods."

According to a letter from Lopez Bula to Interior Minister Fabio Villegas Ramirez, in which he asks for guarantees that political debate can continue in the region, these actions are being perpetrated by a paramilitary group that calls itself People's Commandos, inspired by Hope, Peace, and Liberty.

**Complaint and Proposal**

The communique from the Catholic Church in Uraba complains, "The situation has reached such extremes that anyone who does not join a certain political group or does not accept its ideas faces a dilemma: leave the area or risk death. The history of nations shows us that ideas imposed by force and political options resulting from undue pressure on people's liberty never last, but become ignominy for those who promote them."

The National Union of Agriculture Industry Workers (Sintrainagro) condemned the murders of the banana workers and expressed a willingness to serve as a mediator to stop the bloodshed: "We reject these atrocities against the workers, whose only crime has been to belong to the trade union organization that has struggled so hard to defend their interests."

"We cannot accept that while the negotiators of Sintrainagro, Futran [expansion not given], Fesuagro [expansion not given], and the United Workers Federation (CUT), as well as those of the producers, are making an effort to reach agreement and resolve the crisis in the banana sector, there are unscrupulous elements who are destroying the life and labor stability that we have worked so hard to defend as the basis of support for the trade union organization."

**Ceaseless Death**

And as we were submitting this story to the night editor, authorities in the agroindustrial region reported new crimes: Eliecer Mosquera Martinez, 47, coordinator of the Union Pino banana plantation, located in Palos Blancos, Turbo, was shot dead by several men who entered the property. As they left, they also killed Victor Renteria Mosquera, 50, a bookie.

Sintrainagro stated that neither of the two victims was a trade unionist or a member of a political group.

Meanwhile, in other incidents in Apartado Friday night, Albert Hernan Usuga Vallejo, 30, a businessman in the Obrero district, was murdered; Jose Andres Valolles Moya, 43, employed in various trades, was shot to death in the La Chinita shantytown; and a 17-year-old boy was gunned down near the Agrarian Savings Bank right in downtown Apartado.

## * Editorial Views Disunity Among Conservatives

*94SM0127A Santa Fe de Bogota EL ESPECTADOR in Spanish 29 Nov 93 p 2A*

[Editorial: "The Conservative Convention"]

[Text] Sometimes, perhaps because it is the majority party, it has appeared that the Liberal Party is even more divided, disorganized, and unprepared than the Conservative Party in facing the political future and capitalizing on the government's weakness to move into power. But no—the Conservatives' situation is a shambles as well, and the party of Caro and Ospina is so seriously and dangerously shattered that the polarization among the five organized minorities into a single opposition federation and the silent majority of the two Pastranist currents, the old and the new, threatens to destroy the party for good.

True, there was an innovative convention, at least from the standpoint of its organization, and many of the old Alvarists (who are unmistakable) were in attendance. But the event was melancholic, and its results contain nothing positive that could spur hopes for unity. The two old wings, motivated more by jealousy and hatred than

by a mutual desire to strengthen a fragmented party, continue to struggle for internal power and the presidential candidacy. What we saw on Sunday was what is left of that dispute.

If we pay attention to the opinion polls, there is no doubt that the sentiments are in favor of Andres Pastrana. This is true not only in his own party, but also in segments of other political entities. His youth, his successes, his boldness, and other qualities that he undoubtedly has and uses, enable him to further his righteous and legitimate aspirations to run for the highest office in the land. But that advantage, plus the lack of some conditions that are necessary in a president, though not in a candidate, prompted his opponents (who have no chance at all) to give the impression that in view of their absence from the convention, Mr. Pastrana was left without a move. The convention, however, though it was convened to elect an executive board, expressed strong support for him from all sides.

For the Liberals, who are also divided, discouraged, and facing four or five alternatives who can make no assurances that they will not be an electoral risk, the Conservatives' plight is heartening. At least, as heartening as it can be, given that there will be two rounds of voting in the presidential elections and that some new, determining factors, previously unforeseen, have arisen. The Liberals are also described as more apathetic than ever before, and all of the campaigns are criticized for failing to take off with the vigor and enthusiasm that are seen in other countries, such as Venezuela and Mexico. Only in that way, say some analysts, would the party of Uribe and Herrera have any chance of staying in office.

The situation of our parties is sad, because aside from the fact that their public image has become tarnished because they are out of touch with the people and are largely responsible for the serious corruption that has invaded every aspect of life, they do not have the political strength or the wealth of ideas that would be necessary to redeem themselves. They lack true leaders, and the people in charge, most of them former presidents or veterans of multiple unsuccessful presidential campaigns, have not won the respect of their cadres or of those who represent the electorate in public bodies and in the government.

We must acknowledge that many of those who organized this latest Conservative convention did so in good faith and out of love for their party. Their very active participation and their statements and documents made it clear that they wanted to put an end to a 40-year schism that has been set aside only momentarily whenever the two houses have managed to agree, more for tactical reasons than for political ones, to back a candidate who would bring people together and wage the battle necessary to contend with a majority party. But the conditions were not right for unity, unless it is true, as rumored, that three of the five organized factions are willing to give in if they can be guaranteed the Senate seat that has been eluding them.

In any event, the situation is still unclear; we will have to wait for the dust to settle.

## Ecuador

### Congress Begins Special Sessions on Economic Law

*PA2812024693 Quito Voz de los Andes in Spanish 2300 GMT 27 Dec 93*

[From "The Voz Andes Newscast"]

[Text] After being summoned unsuccessfully to special sessions one week ago, the Ecuadoran Congress began meeting this afternoon at the request of President Sixto Duran-Ballen to discuss a crucial economic law. A legislative spokesman said that today's session was possible by the joint attendance of the 35 deputies of the government bloc and the five deputies of the Ecuadoran Roldosist Party, PRE, who used to be in the opposition and are now with the government. The source said a quorum to open the special congressional sessions was obtained with the participation of the five PRE deputies. The sessions are now under way.

### Gallardo Reports Arrest of 11 FARC Members

*PA2812023093 Quito Voz de los Andes in Spanish 2300 GMT 27 Dec 93*

[From "The Voz Andes Newscast"]

[Text] The government today presented 10 Colombians and one Ecuadorean whom it accused of being the perpetrators of the ambush which left 11 Ecuadoran soldiers dead more than one week ago. Defense Minister Jose Gallardo said in a news conference that the 11 suspected guerrillas are active members or supporters of the Revolutionary Armed Forces of Colombia, FARC. We have turned these 11 people over to the Government Ministry authorities so the appropriate legal steps will be taken against them, Gallardo said. Those captured include a Colombian woman. For the time being, the initial report which had indicated that the guerrilla group was made up mostly of minors has been ruled out. The Armed Forces continue their combing action and will continue to protect the border, Gallardo said at the Quito military base where the arrested individuals arrived aboard an Army Hercules airplane.

On 16 December, approximately 42 Ecuadoran soldiers and policemen were ambushed by a large FARC group on the Putumayo River, on the border with Colombia, when they were carrying out a counternarcotics operation.

## Paraguay

### Senate Approves Armed Forces Promotion List

*PY2712122993 Asuncion ULTIMA HORA in Spanish 16 Dec 93 p 5*

[Excerpts] The objections raised against the promotion of six high-ranking Armed Forces officers and generals on the list of promotions submitted by the executive branch did not prosper in the Senate plenum. This morning the Senate approved the promotion of all the officers as requested by President Juan Carlos Wasmosy.

Some legislators lobbied to reject the promotion of six of the officers even though the majority opinion of the Constitutional Affairs Commission recommended the promotion of all 74 officers on the list. The move was not supported by the other senators.

The officers in question were General Evelio Benitez; Colonels Carlos Alberto Ayala, Benito Miranda, and Jose Atanacio Ovando; and Lieutenant Colonels Porfirio Figari Echauri and Obdulio Morel.

The objections raised against these officers ranged from the improper transfer of land from the Agrarian Reform Institute to accusations of bad administration while heading the Military Cooperative. There were also charges of aggression against a labor leader. [passage omitted]

The most controversial item in the promotions debate was, without a doubt, the proposed promotion of Vice Admiral Eduardo Gonzalez Petit, until now commander of the military forces, to the rank of admiral. The controversy was resolved, however, when the executive branch withdrew its request for Gonzalez Petit's promotion.

The list of high-ranking Armed Forces officers and generals proposed for promotion is as follows:

**To Rank of Division General**

Oscar Diaz Delmas—1st Corps commander
Evelio Benitez—2d Corps commander
Iran Centurion—3d Corps commander
Jose Tomas Centurion—CIMEE [Military Training Institutes Command] commander
Corsino Allende—Logistic Command commander

**To Rank of Vice Admiral**

Flavio Abadie Gaona—National Navy commander
Andres Legal Basualdo—Conague [Naval War Command] commander

**To Rank of Brigade General**

Victor Segovia
Carlos Alberto Ayala—1st Infantry Division commander
Pablo Ydoyaga—Engineering Command commander
Pedro Hugo Canete—6th Infantry Division commander
Jose Atanacio Ovando—2d Cavalry Division commander
Manuel Benito Miranda—Army Quartermaster director

**To Rank of Rear Admiral**

Jose Ocampos Alfaro—War Fleet commander

### Former Stroessner Aides' Promotions Cause 'Discontent'

*PY2812002093 Asuncion ABC COLOR in Spanish 19 Dec 93 p 5*

[Text] Top military chiefs who prefer to remain anonymous for fear of reprisals have expressed their discontent over the appointment of officers who held important positions during the Alfredo Stroessner dictatorship as infantry regiment commanders.

According to our sources, Colonel Jose Ken Kanazawa, current 1st Infantry Division regimental commander, is the former Military Police commander under Stroessner.

Colonel Juan A. Pozzo, a new 2d Infantry Division regimental commander, also was one of Stroessner's close aides, and has been in only the Escort Battalion since he became a second lieutenant.

Also according to the sources, Colonel Carlos E. Caballero, a 3d Infantry Division regimental commander, was one of Stroessner's favored officers and in the same situation as Pozzo.

Colonel Emilio Canela, a 4th Infantry Division regimental commander, was one of the officers who went to the Escort Battalion the night of the 1989 coup to defend General Stroessner.

Lieutenant Colonel Rafael Silguero, a 5th Infantry Division regimental commander, was a military police chief under Stroessner. Colonel Tito Bogado, a 6th Infantry Division regimental commander, was the Security Guard commander and operations chief during the Stroessner regime and his chief was Colonel Galo Longino Escobar.

In military circles the question is: What are the merits of these officers to become regiment commanders? Our sources said that, surprisingly, officers who were close to Stroessner have been appointed to important command positions while other officers who supported the coup from the start continue to be relegated or even retired.

### Wasmosy Reaffirms Loyalty to 'National Interests'

*PY2412192193 Asuncion ABC COLOR in Spanish 24 Dec 93 p 13*

[Text] "I want the people to rest assured that I have never sold a contract, nor will I sell a single inch of land or mortage a the income to which our nation is entitled. I have been defending national interests, and I have not sold out to either the Brazilians or the Argentines," President Wasmosy told Radio Nanduti during an interview granted on 23 December. Wasmosy said that the

note signed with Brazil on 20 December is evidence of this. "I have allowed all the political parties and movements to participate in the drafting of the note. The members of the foreign relations committees of the Chamber of Deputies and the Senate and the entire board of advisers of the Foreign Ministry participated, and everyone agreed on the draft which ended up being the final version of the note," Wasmosy added.

Asked about those who believe that he seems to be prepared to sell out Itaipu, Paraguay's main source of wealth, the president said: "Brazil was prepared to accept the 1991 Annex A of the treaty, but five committees of the (Paraguayan) Congress rejected it. In view of this, what could be done to overcome the illegal status of the Paraguayan board of directors of Itaipu, other than to go back to the previous statute and start negotiations from there, keeping the positive aspects of the annex and changing whatever congressmen and experts believe would best serve our country's interests?"

"I am not talking like some gangster, but as somebody who knows a lot about the subject. People should ask those of us who were involved in the building of the dam, and who understand its internal problems and how things are handled, and not go to theoreticians who work with little graphs, putting 1,000 Paraguayans here and 1,000 Brazilians there, as if that is what fairness and equity is all about," Wasmosy said.

Asked about the privatization of deficit-ridden state companies, the chief executive said that "they should be sold." He stressed that "there are roles that the state should not play, and they should be transfered to private enterpreneurs." About LAP [Paraguayan Airlines], Wasmosy said that "the money this company owes the Central Bank, some $18 billion, is lost. We are, however, trying to set up a 'joint venture' for the routes LAP has, to make them worth something at least. Then we will sell the DC-8 airplane, pay our bills, and close the branches in Europe, because with the salaries of employees there we can pay 500 or 700 employees in Paraguay."

The president said that the only solution is to pass an expeditious privatization law that will guarantee the openness of the negotiations and will give the Senate oversight powers to protect the assets of the state. "We are somewhat deadlocked, and an injunction has been filed in the case of APAL [Paraguayan Alcohol Administration]. We are tangled up in red tape. We must take the first step, and sucessfully and openly sell one company, and then the proper atmosphere for privatization will be created."

Asked about the people who say that his economic program is not working out, the chief executive answered: "First Congress should approve all the bills that are part of the administration's economic program, and then people will be able to say that the program failed, that it is not working out, or that it is only partially successful... Right now I still do not have the necessary legal tools. They also tell me that it is necessary to fight drug trafficking, money laundering, etc... but I have neither money nor weapons to wage the war. We are working with our bare hands. The economic problem is very much the same. We need the necessary legal tools to get things done, and we are getting some things done despite the lack of tools."

Wasmosy remarked that for next year the administration plans to open a $305 billion guarani line of credit for farmers. He also announced that the farmers will get at least 600 guaranies per kilogram for their cotton.

"I believe that the Central Bank bill, the privatization bill, the bill on tax-free industrial zones, and other bills will be approved this year, so that we will be able to reduce the size of the state and made the reforms that should be made," Wasmosy said.

The president also discussed other aspects of the efforts that his administration is making to guarantee primary education, and acknowledged that 135,000 children may find no place in the schools. He made it clear that the administration is not trying to resolve all problems at once, but to alleviate the most urgent ones.

### Vice President on Relations With Opposition

*PY2712224693 Asuncion HOY in Spanish 26 Dec 93 p 10*

[Interview with Vice President Angel Roberto Seifart by unidentified reporter; place and date not given]

[Text] [HOY] Is the governability pact in a state of stagnation?

[Seifart] Yes; I don't know. Perhaps it can be called that. There is indeed some kind of relaxation, rest, pause in order to make a little readjustment, not necessarily within the pact but in the governability between the congressional blocs and the executive branch.

[HOY] Why is that?

[Seifart] Precisely because of the lack of visible, concrete results. Therefore, this situation logically discouraged some people who do not understand that things are not easy, that it will take time to get results. The governability pact is more an experiment in political culture, a cultural experiment more than anything else, against difficulties that restricted democratic coexistence in the traditional political mentality. But our optimism is well-founded. We are confident and have great hope that this project will have to win like in other countries. I believe it has to win here too.

[HOY] Was the impasse caused by the criticisms made by President Juan Carlos Wasmosy, who said pact members did not pass the "test for commitment"?

[Seifart] No, not exactly that. But logically the president is impatient because he wants results; he wants the government to begin implementing its programs and projects, and naturally the pact—we should admit—is not producing results yet.

[HOY] Are you going to insist on results?

[Seifart] Of course.

[HOY] Is the national unity project the president talks about feasible?

[Seifart] I believe the plan is the same with a different name. But I believe the governability pact is more realistic the way it was proposed through the institutionalized political parties, the congressional blocs, and the executive branch.

[HOY] Will it be extended to the social sectors?

[Seifart] Social sectors are not excluded. But because democracy functions not only in theory but also by constitutional regulation through political parties, what we seek is to strengthen democracy through the strengthening of political parties that are their main channels.

[HOY] [Colorado] Deputy Pappalardo says the pact only functions when requests for public positions are made.

[Seifart] I don't see any proof of that. Because you very well know that so far no important appointments of opposition members have been made. Therefore, that is not true.

[HOY] How do you evaluate your administration in a new position such as the vice presidency?

[Seifart] It is undoubtedly a difficult job. I have the responsibility of holding it for the first time since 1940 because when the 1870 Constitution was derogated, the vice presidency as an institution disappeared. Therefore, I have the responsibility of defining a new profile for the institution, and it is not very easy to put it exactly where the Constitution wants it. As vice president, logically I am subordinated to the freely accepted political plan and with the responsibility for it in Congress, but this depends on the degree of support and trust given by the president to the vice presidency. The fact that the Constitution says coordination in Congress is the vice president's responsibility does not mean that the president does not have the right to do it himself. This is why it depends a great deal on how the president delegates his power to the vice president.

[HOY] Did you succeed in the coordination work between the executive and legislative branches?

[Seifart] I cannot complain. I wouldn't say it is working to perfection but I cannot complain about the degree of coexistence achieved between the two branches in these months.

[HOY] How is the relationship between the executive branch and the Colorado Party leadership? Has it improved?

[Seifart] It is good. I believe relations were never critical. Besides, circumstantial details or magnified or exaggerated comments put in the mouth of the president of the Republic or the party president have lead to a false interpretation regarding relations between the party and the government.

[HOY] Did you take part in the debates on issues such as the military law? Will an action of unconstitutionality be submitted?

[Seifart] Yes, when the president calls me for my opinion, I go. The action of unconstitutionality will be submitted in the next few days.

[HOY] How do you see the prospects for next year?

[Seifart] Looking at the economic prospects, we can be very optimistic with the upcoming harvest of cotton, soy bean, sunflower, and corn because of the large cultivated areas. Their cultivation, which is very important for the country, have almost doubled, such as in the case of cotton. Soy bean cultivation is 40 percent higher, sunflower production will go from 7,000 metric tons to 40,000 or 50,000 metric tons, the same with corn. And if there are no weather problems and the harvest is good in addition to the good international prices, I believe the country will have a bonanza year because we continue to depend on agricultural production. It is as simple as that.

### Industry Minister Comments on Projects, Prospects

*PY2712194493 Asuncion NOTICIAS in Spanish 27 Dec 93 p 14-15*

["Part one" of "exclusive" interview with Industry and Commerce Minister Ubaldo Scavone; place and date not given]

[Text] [NOTICIAS] Do you think Paraguay is prepared for Mercosur [Common Market of the South]?

[Scavone] Mercosur is a unique opportunity for us. In order to encourage investments in the country we must solve two problems: our laws and the market. The first thing a strong investor will want to know if we ask him to install a textile plant here, will be what kind of market we are talking about.

If we tell him that we have a population of 4.3 million and 1.5 million are possible consumers, he will tell us that the market does not justify the investment.

[NOTICIAS] What can we do about it?

[Scavone] The other three Mercosur countries, particularly Argentina and Brazil, must open their markets and allow us to extend ours in order to be able to justify the investments necessary to create jobs for our people.

[NOTICIAS] What is being done in this respect?

[Scavone] We are preparing ourselves for that possibility. We are working on laws, the complementary financial resources for investments, and the capital market, which is essential not only for those who might want to invest but also for those who might want to sell

and get out. I would say that we already have the preparatory laws, the infrastructure, the electric energy, and raw materials. What we need now is for Argentina and Brazil to open their markets sincerely and truthfully. And not only lowering tariffs because the measure is of no use when some of the internal taxes are so high.

[NOTICIAS] What do we still need to do?

[Scavone] There is the major issue of the common foreign tariff system. In the field of integration, there is nothing that cannot be resolved with additional time. The 11 Mercosur task groups are working intensely.

[NOTICIAS] What happened with the issue of industrial reconversion?

[Scavone] It is going ahead at full speed in the textile industry. We have a dozen very interesting projects under way in the area of agroindustrial production. Many industries are reconverting their company statutes and reorganizing their structures, administration, and accounting so as to be able to participate in the capital market. In order to reconvert an industry we need new machines, new products, and, therefore, more capital, which can be obtained by associating the company with small investors.

[NOTICIAS] What is the ministry doing in the area of shops supervision and consumer defense?

[Scavone] We have changed our supervision style a little. We used to certify if everything was legal, seizing, writing acts, etc. Now we are helping the Revenue Under Secretariat a little more. We are controlling what enters the country, and we supervise more with the purpose of correcting the defects we might find in companies or shops.

[NOTICIAS] Are people aware?

[Scavone] I think people are quite aware. Contraband has not been eliminated, but it has been reduced quite a bit since the ministry launched a harsh repression program. Our people are helping. What the ministry does, concretely, is to verify average prices and follow their behavior. When something is scarce we promote an increased offer. We maintain a general watch on commerce and, as a last resort, we apply legal sanctions against shops that commit violations or repeat them.

[NOTICIAS] How can we take President Juan Carlos Wasmosy's words that next year we might find oil and exploit it to pay for the budget deficit?

[Scavone] There is a great truth here. We cannot say we have made a serious effort with 45 drillings in 45 years. We are working on a new mechanism to encourage more drilling. We are doing this with the help of Congress, people from the Public Works Ministry, and the Mines and Energy Under Secretariat.

Paraguay needs a single successful well for it has a daily demand of only 2,500 cubic meters. It does not really need a large group of oil fields. What the president said is that our country will save an important amount of foreign currency with a single productive oil field. It will mean savings of more than $120 million per year. This is why the president, with a lot of optimism and trust, said that finding oil would help balance any deficit. And it is true. We are promoting exploration by international firms. Petropar [Paraguayan Petroleum, Inc.] is doing its part in the Concepcion area and in Presidente Hayes Department, close to Argentina's wells.

[NOTICIAS] What ever happened with the plans to exploit gas for domestic use in the Chaco region?

[Scavone] Primo Cano Martinez is a real hero for me because he was successful in Nueva Asuncion with very few resources. He discovered a type of gas that is very rich in methane, a natural product. The problem now is how to make a profitable exploitation. The idea is to see if we can finally agree with Bolivia to build a gas pipeline to carry gas from Vuelta Grande because it would be relatively easy to build an extension to Primo Cano's wells from this pipeline. We would use Bolivian gas only when necessary. We would start using our fellow countryman's gas once the volume of the finding is determined because it might also be just a small sack of gas. If Primo Cano's wells have enough proven reserves, we will have solved all our gas problems, the fuel for the next century.

### Correction to Last Part of President Wasmosy Interview

*PY2312175593*

The following correction pertains to the item headlined "Last Part of President Wasmosy Interview," published in the 23 December Latin America DAILY REPORT, pages 32-34:

Page 33, column two, last paragraph, first sentence make read... Together with the Junior Chamber of Commerce we are implementing... (correcting name)

## Peru

### Labor Groups Create Workers Unitary Confederation

*PY2712185093 Lima LA REPUBLICA in Spanish 13 Dec 93 p 10*

[Excerpt] Leaders of 158 labor organizations have given birth to the Workers Unitary Confederation of Peru [Confederacion Unitaria de Trabajadores del Peru—CUT], which has the following goal: To be the voice of the labor conglomerate and to implement self-management business development projects.

Miguel Freitas, the general coordinator of this effort and secretary general of the Federation of Oil and Related

Workers of Peru, has indicated that the CUT will try to ascertain the union identity of the Peruvian workers. [passage omitted]

### Politician on Candidate To Run Against Fujimori

*PY2712191593 Lima EL PERUANO in Spanish 16 Dec 93 p A5*

[Text] Popular Christian Party (PPC) Secretary Lourdes Flores Nano has pointed out that the basic political tenets that a consensus opposition candidate must have to run against President Fujimori's administration in 1995 must include a recognition of the current administration's achievements in the field of structural reforms and pacification and their required enhancement, as well as an all-out rejection of the populist and statist past.

Flores Nano said: "I believe that we, the opposition political forces, would be making a serious mistake if we don't transmit to our country a feeling that we are starting from an existing order to complement it."

The congresswoman made these remarks during a news conference called by the PPC to report on PPC activities on the occasion of its 27th anniversary.

Lourdes Flores later stressed that the opposition front's candidate in 1995 must necessarily be a figure who does not belong to the PPC and who will guarantee both a consensus and the implementation of the aforementioned political action guidelines.

Lourdes Flores also said that, during the PPC's regular congress in September, PPC founder and leader Luis Bedoya Reyes mentioned that it was necessary for each opposition group to give up its legitimate electoral aspirations in 1995 to prioritize a single consensus candidate for the next general elections.

Nevertheless, Lourdes Flores made it clear that such an agreement must establish that each group will present its respective congressional ticket. She stressed: "Each party must preserve its identity. We are all different. We are a pluralistic opposition."

Asked about reports confirming Luis Bedoya Reyes as a PPC candidate for 1995, Flores Nano said political realism leads to consideration of other alternatives.

Concerning remarks made by top Popular Action (AP) leaders of participating in the 1995 elections with an AP candidate, Flores said she trusts in the AP's support to achieve unity. However, she expressed her doubts about the possibility of an effective renewal of the AP leadership.

Lourdes Flores said: With all the respect that I have for former President [Fernando] Belaunde [Terry], sometimes I have the impression that the entire AP political plan revolves around itself." [no opening quotation marks as published]

### Editorial on Need To Finalize Judicial Reform

*PY2712194193 Lima EXPRESO in Spanish 16 Dec 93 p A26*

[Editorial: "The Reform Should Get to the Heart of the Matter"]

[Text] It is up to Congress to either move ahead and finalize the reform of the judiciary branch once and for all or to keep the Peruvian economy and society on the verge of disaster. We have said time and again that the judiciary branch's reform is essential for the shoring up of a true market economy and an authentic democracy.

We will have a new constitution very soon but the judiciary branch's situation is still irregular; many Supreme Court justices are either alternates or temporary. Their positions have not been provided for in the Constitution, which means that in the final analysis they are in the hands of the executive branch, which entails a lack of independence. Furthermore, many alternate justices work for private firms, thus violating the principle that one cannot be judge and counsel for the defense at the same time.

Worst of all is the fact that the articles of the new constitution that deal with the Council of Magistrates—the body that will appoint all judges—not only give an enormous amount of power to bar associations and universities but are virtually impossible to implement.

In fact, the new constitution provides that one council member will be elected through secret votes by the members of all Peruvian bar associations, while two others also will be elected through secret votes by members of other Peruvian professional associations, which means that accountants, engineers, architects, etc. will get to cast their vote. How will the candidates for this election be chosen?

Wouldn't the political parties act as middlemen for these appointments? Who, then, will be designated as candidates? Is this the system the people wanted for appointing judges for the country? If that is the case, wouldn't it be more proper for the people to elect the judges directly?

There is more to it. Trying, most probably, to play it safe, the Council of Magistrates bill attempts to "resolve" the complex problem of the aforementioned elections by stating that Council of Magistrates members should be elected only by the deans of the professional associations and not by all the members. This "solution" is glaringly unconstitutional because the Constitution states that the electors are the members of the associations and not just their leaders.

Therefore, this pitfall must be avoided and the judiciary branch's reform finalized. This implies disregarding the apparent haste to approve the Council of Magistrates bill. On the contrary, the Disciplinary Board for Magistrates [JHM] term should be extended so it can continue to perform the duties established by law.

The proper way to resolve the problem pragmatically is to allow the JHM to do its job, which is to evaluate and appoint all Supreme Court justices. The JHM should be allowed to finish a job that vested interests in Congress, the judiciary branch, and all the political parties including the ruling party have been trying to thwart or restrict in every possible way.

Most of the citizenry agree that the JHM is both honest and capable. It is essential for the judiciary branch's reform that the JHM be allowed to finish its task.

### Cuban Ambassador on Andean Group, NAFTA, OAS

*PA2812030693 Mexico City NOTIMEX in Spanish 1925 GMT 27 Dec 93*

[Text] Lima, 27 Dec (NOTIMEX)—Pedro Diaz Arcia, the Cuban Ambassador in Peru said today that the Andean Pact is an important instrument to further Latin American integration and that Cuba hopes to strengthen its ties with the region through this organization.

"Cuba has a policy of rapprochement with the Andean Group (Gran), in which it participates as an observer, and follows its agreements closely. There is an interest that our country enter several sub-regional spheres in the organization," the diplomat stated.

Diaz Arce, former vice foreign minister and former planning director of the Cuban Foreign Ministry, said the possible agreement with Gran would be in the framework of the "Barahona Act," signed by the presidents of Bolivia, Colombia, Ecuador, Peru, and Venezuela in 1991.

In regard to the diplomatic relations between Cuba and Peru, Diaz Arcia observed that they are at a good level and "tend to improve and increase." He advanced that there are positive prospects for 1994, in the fields of economy, culture, sports, tourism, and health. Diaz Arce commented on the Free Trade Agreement signed by Mexico, the United States, and Canada and said it will also attempt to gradually incorporate several Latin American countries in this important international market.

The Cuban Ambassador indicated that Cuba backs all efforts to bolster the integration of Latin America and in this sense—he said—Cuba is willing to rejoin the OAS "but without any type of pre-conditions." He recalled that, due to pressure exerted by the United States, the OAS member countries, with the exception of Mexico, had broken diplomatic and commercial relations with Cuba in 1964.

Diaz Arcia considered that the blockade imposed by Washington on the island for more than 30 years was "one of the worse human rights violations." The measure—he stated—contradicts the alleged principles defended by the United States and shows that the U.S. position regarding Cuba is a "political issue because President Fidel Castro does not represent what they want."

He observed that Cuba is going through a difficult situation following the "collapse" of its main commercial market, the former Soviet Union and the East European bloc, with which it carried out approximately 80 percent of its foreign trade. "Cuba now has to learn to play in the world market. We have to strive to place our exportable products in that market under conditions of harsh foreign competition and at the same time, confront the U.S. economic blockade," he added.

He explained that before the blockade, the commercial exchange between Cuba and the United States amounted to 69 percent of the island's foreign trade. Diaz Arcia added that the virtual economic isolation imposed on the island had caused it to loose more than $10 billion.

The diplomat said that despite the U.S. isolation campaign, Cuba has similarities with the Latin American countries and most UN members. He asserted that the United States is the country that has voted most against UN General Assembly resolutions and the majority of those cases have been related to the defense of human rights.

## Venezuela

### President-Elect Caldera Views Economy, U.S.

*PA2512211193 Caracas EL UNIVERSAL in Spanish 12 Dec 93 pp 1-21*

[Interview with President-elect Rafael Caldera by Carlos Croes at Caldera's residence in Caracas; date not given]

[Excerpts] [passage omitted] [Croes] Will gasoline prices increase?

[Caldera] It is impossible to think about that in the short term. If the people are not compensated in a manner that can justify the controversial increase, it is best not to think about it...for now.

[Croes] And the foreign debt?

[Caldera] That is another complicated problem. We must talk with our creditors in search of formulas that can help the country carry this burden. There are debt payments scheduled for next year that are practically nonpayable unless we subject the country to great sacrifices. I do not plan to reinstate the grievance commission that operated during my first term.

[Croes] Do you plan on appointing an advisory council?

[Caldera] Not in essence. I have said I will have an agriculture advisory council, as well as an economics advisory council. [passage omitted]

[Croes] There is a problem waiting for you—the fiscal deficit, which, as a whole, amounts to nearly 700 billion bolivars.

[Caldera] There have been estimates of 200 billion bolivars, 300 billion bolivars. It all depends on what is tallied. I was holding a dialogue recently and listening especially to what the Central Bank of Venezuela president had to say, and she is aware that the fiscal deficit cannot be resolved in one year.

[Croes] The problem lies with revenues. Many payment orders have been postponed, because there is no money to make payments.

[Caldera] There is a lack of liquidity.

[Croes] Yes, the lack of liquidity to pay. If you eliminate the value-added tax [VAT], where are we going to get the money in January to make the payments?

[Caldera] We are indeed studying that. Once Congress is installed, once the government starts working we have to submit a tax reform proposal. I was very pleased to read the statements by the members of the board of directors of the National Banking Association and National Banking Council when they visited me. They recognized—and they have said it before privately—that those who have the most should pay the most. The economic groups themselves are concerned about the situation worsening. They are concerned about the fiscal deficit, an increase of the inflation rate, an increase of the people's discontent, and they do not want the situation to hurt them even though they may have had excellent balance sheets. Undoubtedly, a quote that is very popular and says much is that if the debtor does not pay, the bank goes broke. [passage omitted]

[Croes] Do you believe you reached the Presidency without commitments, without being tied down?

[Caldera] Fortunately without being tied down. Of course, I have commitments with the country. When I say the country I am not only referring to the poorest groups, rather, the people in general. I know that I have the duty to review all possibilities and the property of all sectors of the public, because I have always defended the idea of social justice stemming from a concept of solidarity.

[Croes] Concerning that social justice, that concept you proposed 50 years ago, has it changed by now?

[Caldera] Not the concept, but its applications have. The world has undoubtedly changed greatly.

[Croes] How would it be now?

[Caldera] I have stated and I am absolutely convinced that the disappearance of communism, real socialism as it was called in Eastern Europe, the fall of the Berlin Wall, and the dismantling of the USSR creates more responsibilities for Christian democrats. In the past, Christian democrats and Marxist socialists used to debate which of the two currents was the true defender of the people's interests and workers' rights; we had two different viewpoints of what social justice was, but once they disappeared our commitment to social justice increased considerably, I believe. The Christian democrats have to fill the political void they left behind. We became the genuine, true, constant defenders.

[Croes] How could that be applied in this country, where wealth is so concentrated and where there is such a disparity between rich and poor? How would the balance you dream of really come about?

[Caldera] Well, first of all, without a doubt, we will have to try to distribute the burden and benefits of society in an equitable manner. This is what drove me to announce and decide, with all the risks it entailed, the elimination of the VAT, which is a regressive tax that weighs heavily on the consumers and is mostly paid by less affluent classes. I have not found one single defender of the VAT who claims the tax is fair. They say it is convenient, adequate, and practical, and that it is used in other countries—that is to say in other countries where there have been preparations, where the population has been prepared, and where even the administrative teams were prepared to implement it. Moreover, it is used in countries in which the inflation rate is noticeably lower than in Venezuela. It is one thing to implement the VAT in a country where the inflation rate runs at 3, 4, or 8 percent, as opposed to a country where inflation runs at 30 or 40 percent and threatens to go higher.

[Croes] Neither you nor Velasquez can change that law, except with another law.

[Caldera] I am not sure about that. I could not give you an answer today, and this is because I have ordered a study of the Special Powers Law. I have the impression that the Special Powers Law enables the president to send to Congress emergency measures he may dictate through Special Powers Legislation, but I do not know whether the next Congress will have to review and ultimately approve or reject the measures adopted by the president. Obviously, I am concerned, because I am saying this without having studied the text. I still have to do that.

I remember when I began studying law, my stepfather, who was a lawyer, used to tell me: "Look, Dr. Celestino Farrera, who was our civil law professor, used to tell us never to state a legal opinion without having read the law. So if you are asked, at what age does a Venezuelan come of age, you go and get the Civil Code, you look up the respective article, and then you say: at 21 years of age." Of course, this is an exaggeration, but you get the point. Therefore, this is an opinion I have stated and which is not exactly....

[Croes] Someone who is an adviser of yours spoke of a selective tax on consumption.

[Caldera] Mechanisms to find a substitution for the VAT are definitely being studied. There is no decision. Furthermore, none of the members of the working group, all

of whom are very brilliant, is authorized to speak in the name of the new government regarding what it will do, mainly because these two months of December and January are the two months in which there is the most work. We still have to make a better analysis of the situation, because the general projections of the policy are very clear and we have analyzed them a great deal, but the concrete measures for the execution of such a policy are currently being studied.

[Croes] When do you think the country will learn more about this?

[Caldera] The day I take office and announce to the country what my government will be like.

[Croes] Meanwhile, anyone who speaks on behalf of the Caldera government's technical team is...

[Caldera] He may probably be doing it in good faith and could possibly say a few things, but what he cannot say are things that have been thought and planned out because I reserve these decisions for myself, as it should be. The most delicate task a head of state has is the task of making decisions. It is easy for an adviser to say things. Very often you have a problem, and several advisers with strong arguments point in one direction while other advisers with arguments that are just as strong point in the opposite direction. Your duty is to decide. That is the most difficult duty, and yet it is the most important. If you make the correct decision, it will benefit your government. If you make a mistake, it will undoubtedly make the situation more difficult for you.

[Croes] What parts of the famous economic adjustment program does Dr. Caldera think might be saved? Can something be saved or recovered?

[Caldera] Well, they say I have changed my point of view. I have systematically been saying—and you have heard it, Carlos—that there is a part of the economic program that is irreversible. Part of it is good and part of it is not so good, but it has been implemented and tied up in such a way that it cannot be changed.

[Croes] That is the part having to do with credits?

[Caldera] The good part is Recadi [Differential Exchange System], as I have already said. No one will want to resurrect Recadi or reinstate another type of differential exchange system. As for the other parts, there were a series of measures that were implemented too hastily, and that cannot be taken back. I do not think, for example, it was a bad idea to join GATT, but I believe any responsible country in the process of joining GATT should take a series of precautions and even set deadlines for the application of the measures. Certain considerations that might have benefited the country could have been obtained. There was a neoliberal enthusiasm here, which by the way did not turn out so bad for the promoters of this concept. This is because all of them have jobs with important international organizations that have taken them in with great affection because they were the most enthusiastic spokesmen of the economic package.

[Croes] For example, of the commercial reforms, the one that allowed the inflow of agricultural products...

[Caldera] Well, there are a number of agreements to eliminate customs barriers that cannot be turned back. In terms of Mexico, for example, I heard President Salinas de Gortari—who by the way telephoned me to congratulate me very affectionately, saying your Mexican friends here are very happy about your election, we hope we will cooperate with each other intensely and advance relations between our countries as much as possible—I heard Salinas de Gortari when the Chamber of Representatives and the Senate held a joint session and approved the free trade agreement with the United States and Canada—we must still wait and see what happens with approval on the Canadian side—anyway, he said its effects will begin to be felt in the medium term, and we will have absolute free trade within 15 years. That is such an important document, but here the promoters and advisers of the economic package thought they could beat out Mexico, Argentina, or Brazil. They were going to beat the others by applying the measures faster. I remember a speech I delivered during an official visit to the OAS Council in which I said that many Latin American governments unfortunately assume the attitude of a child that tries to win the sympathy of their teacher by claiming he is better than others (laughter). It seems that they worked like crazy to get there faster than all other Latin American countries that faced problems after failing to follow trends and later heard the director of the IMF—an organization which, by the way, I have never likened to a bomb that merely kills people, as Perez did before his second election. [sentence as published] What I said was that social costs are the responsibility of governments and that the IMF never recommended shock measures. Instead, the IMF has provided guidance, specific guidance.

[Croes] That was at the time when Perez was saying that the double talk had created uncertainty because you were saying the VAT would be imposed and nothing could replace it. I do not know if you heard those statements.

[Caldera] I let former President Perez speak as much as he wanted, and he helped me a great deal during the election campaign, mainly because a few undecided voters opted for me after he told the Venezuelan people that I was the worst candidate and that it would be horrible to elect me (laughter)—that a presidency under my leadership would be evil (laughter).

[Croes] Mr. President [as published], you will face a very complicated situation in Congress, the fragmentation of forces...

[Caldera] Undoubtedly.

[Croes] How are you preparing to negotiate agreements?

[Caldera] I think we can reach, rather, that we must reach basic agreements despite certain attitudes—certain hasty and somewhat pessimistic statements. I also think public opinion will have a strong influence on the new Congress. Public opinion has gained a lot of strength in the past few years in Venezuela. Amid the many negative things that have occurred, one of the most positive things has been the strong influence of public opinion. Of course, just as when I am told I have a great responsibility because I have been elected president, I say to my media friends that you now have great power in this country, which also gives you great responsibility.

[Croes] Advisers insist that the government thinks development can be reached through investment and production. How will we achieve this in your administration?

[Caldera] Well, Venezuela continues to be a very attractive country for investments. We have a great many possibilities within the petroleum sector, because we insist that petroleum is not only a fuel to be burned to generate heat and energy, but also a raw material for many other industries we want to develop. Granted there are problems in this area, but there are also solutions.

There are many other possibilities, too. For example, Carlos, I have a lot of faith in is the tourist industry. The tourist industry has much to offer Venezuela, because our country has all the conditions needed for tourism, and there are investors willing to invest money in adequate tourist centers. For example, the Canary Islands have offered to share with us a vast amount of tourism experience. I have many friends in the Canary Islands and feel close to these people, and they have much to offer us. Two aspects must be pointed out. First, we must create tourism awareness in our country. From the chief of state downward, we must all try to convince our compatriots that tourists bring something we need—that is, foreign currency and jobs. There is another important thing, too—namely, personal security, which is an important aspect of the tourist industry. We can improve conditions by struggling to improve personal security.

[Croes] What will be your first security measure?

[Caldera] The first thing I will do is review the security corps. I will meet with governors and mayors and will ask them to assume this responsibility together, because, after all, public order and personal security is not only the responsibility of the national government, but also the responsibility of state governments and municipal governments. In addition, security corps that are under the Executive Branch should be reviewed. There are many competent people there, but evidently there are infiltrations from corrupt sectors which must be detected and countered. It is true that there is a shortage of funds, but we will have to reduce other expenses and spend more in security to modernize the equipment. For example, a city like Caracas should have motorcycle police, not only patrols that get caught in traffic while criminals manage to escape. We need motorcycle police. Some progress has been made during the past few years, but there still is much to be done. In addition, security corps require a detailed map of the city, as well as contact and information posts, so that when a call is received, the closest post can take action.

[Croes] Is this related to the economic situation?

[Caldera] Of course. As I said, there is a shortage of funds, but we will have to reduce expenses in other areas to improve security. I also hope international organizations... the Inter-American Development Bank now has a new policy, by which 50 percent of its investments should not be for large economic projects, but for social projects. Social projects include health, education, and personal security. Well, we have to do these things. The problem of disarmament is a very serious and complex matter that must be handled firmly and persistently. We cannot just deprive citizens from having a weapon at home for self-defense, because although it may not give him much protection, at least he can feel more secure and less vulnerable.

As for the registration of weapons, it should not be seen as a means to collect taxes but, rather, as a requirement for citizens to have their weapons duly registered. At the same time, we must start confiscating a large number of weapons currently scattered throughout the cities, especially in Caracas, as well as in rural areas. Those are two completely different but parallel security issues. There is a personal security problem in urban areas, particularly in metropolitan areas, and also in rural areas, especially along the borders where farmers and cattlemen feel abandoned and unprotected.

[Croes] Will there be foreign exchange controls?

[Caldera] On certain occasions it has been necessary to implement temporary foreign exchange controls. President Betancourt did so when he devalued the currency from 3.35 to 4.50. It was only a temporary measure. Fortunately, under Andres German Otero, who was an excellent finance minister, the foreign exchange rate could be freed up once again, and it was maintained for a long time. It was maintained within a climate of confidence. When I assumed the presidency for the first time, I had the courage of devaluing the bolivar twice. I did not act capriciously; the dollar was falling, and I did not want the bolivar to fall at the same rate; I was trying to rescue at least part of its value. Well, people rightly said that because the value of the dollar was too low, they preferred not to purchase with dollars, because they had confidence in the Venezuelan currency.

[Croes] Now, with current interest rates and the devaluation of the bolivar, how are we going to encourage investments and increase production in Venezuela?

[Caldera] There is a tendency toward tax evasion if there is no confidence. Confidence is the main factor in economic policy.

[Croes] What do you think about the high interest rates, for example?

[Caldera] That is one of the huge problems we have to face. That is a measure that is adopted in an attempt to prevent the flight of capital. It is an incentive given to those with money, and room for investment is created. We will undoubtedly have to...

[Croes] What do you think about the progressive devaluations being made by the Central Bank?

[Caldera] I see them with horror, and I understand they have been a kind of remedy that had to be adopted because there was no other choice, but the Central Bank president herself has said that an effort needs to be made to achieve stability in the currency.

[Croes] What do you think about the Zero Coupon [Cero Cupon]?

[Caldera] I frankly do not agree with it.

[Croes] You do not agree with it?

[Caldera] I believe it is a reward given to selfish people at the expense of the Venezuelan people. It is a reward given to people who want to invest their money in dollars and then take it out of the country.

[Croes] Under your presidency, how will relations with the United States be? Are we really at the threshold of a treaty similar to the one signed with Mexico?

[Caldera] I have received two very important visits. One of them from Assistant Secretary Watson, who is the assistant secretary of state for inter-American affairs. We talked openly about our problems in a very positive manner. I later received Senator Hollis, who came especially to visit me. He was on a trip to Buenos Aires and other countries, and he traveled directly from Buenos Aires to Caracas. He came to visit me directly from Maiquetia to give me a letter from President Clinton, and he continued on to the United States. In that meeting we spoke frankly about our problems and the situation. I even told them that when the U.S. elections started we all thought Bush's reelection would be easy. He had just come from winning the Persian Gulf war, the Berlin Wall had been torn down, and the USSR had collapsed. Bush was, therefore, in a situation of splendor. When Governor Clinton won the presidential elections, we realized there was something we had missed. We realized economic policies had not been correctly applied, and this led to a decline in the standard of living for a good part of the American people. We have to review these kinds of things, and he said I was right. He said President Clinton was concerned about the U.S. health problem, the housing problem, and the creation of jobs. The dimensions of the problems are very different, but the problems are the same. When President Clinton spoke in the letter about a hemispheric meeting to discuss common and economic problems, I suggested that one of the problems that must be discussed is the poverty problem. The poverty problem in the world, especially in the Latin American countries, is being recognized as having great priority.

[Croes] Do you plan to appoint an advisory council to help make decisions once Congress is installed?

[Caldera] In my letter of intent I spoke about a national health council, which must be very well chosen with the proper people appointed so that it can advise the Health Ministry. It can even help in the process of decentralization and the transfer of services to the states and municipalities. I spoke about a food council like the one President Itamar Franco created in Brazil, which could help the Agriculture minister. He already has a council, but we have to pay greater attention and give greater participation to the civilian society. I spoke about a team of economic advisers which has to be very important to be able to face these things.

[Croes] Someone said in a television program a few days ago that no candidate had talked about such a grotesque thing as the discretionary funds. What do you think should be done with these funds in order that they do not continue to generate the conflicts they have created for past presidents?

[Caldera] I have never supported the idea of eliminating the discretionary funds, because this would be unreal. All countries need to have them. What I do think must be corrected is the multiplication of discretionary funds. There used to be only one discretionary fund. We are talking about the famous Chapter 7 that was discussed during the administrations of Eleazar Lopez Contreras and Isaias Medina Angarita, as well as in the administration of President Juan Vicente Gomez. Now there are many discretionary funds, each with a sizable amount. The law itself establishes the personal information that must be provided to the comptroller general when discretionary fund expenditures need to be made. I do not think the law should only ask us to say we plan to spend this much here or there. The comptroller has the right to be informed. In some cases he has the right to ask for verification of how the money is spent.

[Croes] Should Congress exercise control over these expenditures?

[Caldera] Then they would stop being discretionary. How could they be discretionary if they are turned over to a collective entity for review?

[Croes] Mr. Caldera, within the context of current difficulties and the way Venezuelan politics are handled—considering that opposition begins the day after a new government assumes power—there are people who believe that because you want the country to overcome the current crisis, if Congress gets in your way, you may try the formula of replacing Congress or stage a "Fujimori-like" action.

[Caldera] Well, that has not crossed my mind. What I have thought of, and what I believe is essential, is that once the congressional structure and the various factions

it will have are finally known, we should immediately begin discussing the subject of constitutional reforms. Those constitutional reforms should include the possibility of calling a referendum to revoke the presidential mandate, and they also should permit holding a referendum to dissolve Congress as well. There are various formulas for this. In countries having parliamentarian governments, a decree issued by the head of state is all that is needed to dissolve the parliament and call new elections. Some people here believe it would be better for the Executive Branch to call a referendum on revoking the presidential mandate and holding new elections. These things should be discussed and reviewed. I trust—and maybe because I am an optimistic person, but optimism is necessary in such cases—that an agreement can be reached on the basis of the constitutional amendments bill that Congress was debating in the last session. The necessary corrections and additions can be made and pertiennt parliamentarian measures can be adopted in order to...

[Croes] Do you plan to meet with the most influential political parties—in other words, with the AD [Democratic Action Party], Copei [Social Christian Party], and Radical Cause—to seek a consensus?

[Caldera] It has to be that way. I have already begun talking with some political groups, including of course those that supported my electoral campaign. I have also had the opportunity, although not formally, of discussing with the Radical Cause and AD secretaries general the need for a national agreement, which is what the country needs and desires. [passage omitted]

[Croes] What do you think of military spending? Do you think it is too high, that it should be reduced?

[Caldera] It is possible that military expenditures, as other public expenses in Venezuela, are too high in some areas. Some expenses are not really necessary, while funds are insufficient in other areas. The problem of the current wage scale for officers and their purchasing power, which declines every day, is very serious. [passage omitted].

[Croes] Mr. Caldera, although you have said you will not make any announcements yet, because we are talking about the Armed Forces, may I ask you: Traditionally, defense ministers remain in their posts after a new government is installed until July, when they retire, which seems to be the case of the current defense minister.

[Caldera] This is a very important subject on which I must reflect. I believe the defense minister deserves every consideration. In this case, I must insist that the president of the Republic, until the day the government transfers, is Dr. Ramon Velasquez. Therefore, he will handle matters and make decisions with regard to the Armed Forces until the day I assume the Presidency. There is no set pattern on this. I do not know exactly how this was handled by previous administrations. I do know, however, that the first time a minister from the previous government remained in his post was when [President] Luis Herrera left General Paredes Bello in his post.

[Croes] I believe [President Carlos Andres] Perez left Alliegro...

[Caldera] Was Alliegro there when Perez assumed power?

[Croes] Of course.

[Caldera] It is possible. I feel this is a very sensitive subject, and I do not want to say anything that could be considered improper or that could cause ill feelings or contempt. We are talking about an institution that is very important for the country.

[Croes] Frankly speaking, you will have to face it, because it is a known fact. I remember when I interviewed the members of the High Command for Televen on Elections Day, even after your victory. When I asked them their opinion about a pardon for coupist soldiers, they said: Pardoning coupist soldiers would be legalizing the coup d'etat. The Armed Forces are united in this position. You will have to face this when you...

[Caldera] This is a very sensitive subject that must be viewed with great responsibility. It is obvious that the great majority of Venezuelans want to maintain peace in the country and believe that to have peace this problem must be resolved. It is not a simple problem; it includes a number of aspects that must be considered. In this regard, I believe it is not only my right, but also my duty to take all the time necessary to review it. I have not assumed the Presidency yet, and therefore I can only listen, watch, and study.

[Croes] Was that one of your electoral promises?

[Caldera] To maintain peace, yes.

[Croes] The promise to pardon coupist soldiers...

[Caldera] I never presented a specific formula. I did not announce any formula, because I understand that there can be various ways and possible actions. I did not want this to be a topic in the electoral campaign either. I never mentioned it, except when the media confronted me with the question, and in general I always replied in the same terms I am using now.

[Croes] Mr. President [as published], you spoke a lot during your campaign when you began asking for the resignation of Perez.... You said Nixon had been replaced in the United States and nothing had happened. Then came Ford, and he pardoned Nixon. Do you have a similar opinion? Could you pardon Perez at a certain point in time?

[Caldera] Some foreign correspondents already asked me that question a few days ago, but I believe it is totally untimely. To deal with this problem when the Supreme

Court is reviewing it and when the entire country is concerned about the issue is untimely.

[Croes] Speaking about the military, Pompeyo Marquez [Communist Party leader and member of the Presidential Commission on Border Affairs] said some ministers have been playing an excessively active role in public opinion, and he thinks it is time the military officers returned to their barracks. Do you believe the defense minister should continue playing an active role in your government?

[Caldera] A return to the barracks is an expression which I think is no longer valid. The activities carried out by military officers lie far beyond the barracks. Their role has a significance and importance in different aspects of national life. Now, only very special circumstances, only emergency and delicate situations, could lead the military authorities to step beyond their own circles in which they carry out their important duties. What I am trying to stress—because there were dishonest attempts to make people believe I had the intention of appointing a civilian to head the Defense Ministry—is that I have defended and continue to defend the concept that the most advisable thing for the country is for the defense minister to be an active officer. The reason I have for this is the following: In the countries that appoint a civilian defense minister, the civilian official is a politician or a manager, but he does not have the same channels of communication or the same immediate access to the officers as an active officer may have. A civilian defense minister with an Army commander like Pinochet is one thing. You have to be a Patricio Aylwin and have his intelligence and his ability to manage it. The countries that have a civilian defense minister generally see the rise of a military leader, maybe the commander or the chief of the Armed Forces assuming a leadership role and becoming increasingly more independent from the head of state. A military defense minister, however, has daily and frequent communications with the head of state, and he informs him about the plans and the concerns of the Armed Forces, which they undoubtedly have even though they may not express them in public. Vice versa, a military defense minister can explain to the Armed Forces the motivations and objectives of positions that may be adopted in politics.

[Croes] Can the specter of a coup d'etat weaken the actions carried out by President Caldera at any given moment?

[Caldera] I believe the threat is remote, and with a serious, honorable, just, and well-oriented policy it can be isolated even more. [passage omitted]

[Croes] You were the creator of the Judiciary Council. Do you believe the Judiciary Council and the Superior Court for the Protection of Public Property have to be modified or eliminated? What must be done?

[Caldera] I am among those who believe the Judiciary Council should be complemented in some way. I proposed the creation of a top justice commission that could represent civilian society, without a bureaucracy and without any special remuneration but made up of people with their own jobs, their own responsibilities in civilian society. The Judiciary Council and the Attorney General's Office could present the commission with cases on which it could make decisions without the exhausting and often useless paperwork. It could investigate the mistakes that may have been committed by some officials and it could also serve as a type of filter through which the names of the different candidates for the highest...

[Croes] Is it true you do not want the privatization of Aeropostal?

[Caldera] That is a point on which I have not yet made a decision. I am a bit concerned about the fate of Aeropostal. The president of Aeropostal visited me on one occasion and told me that Aeropostal could be rescued and that with a relatively modest subsidy it could be organized and rescued in a few months. I repeated his words in a forum that was held, but he later wrote me a letter saying I had not understood him well. Now one may ask oneself, for example, if the Venezuelan Aeropostal Airlines has any reason for being if it were in the hands of a foreign airline company, which would not be concerned about providing service to the country's towns, which very often do not produce sufficient resources.

[Croes] What do you think about the racetrack. Do you believe the racetrack and the Enelbar [expansion unknown] should be privatized?

[Caldera] I have asked Dr. Julio Sosa to help me out in this and to serve as a link with some government sectors. He held a meeting with Dr. Villalba, who is in charge of this privatization. I believe we should appoint a small but well qualified commission that can give an opinion. For the time being I don't think the sale of the racetrack would be such a great risk. If there is talk of privatization, we believe a concession should be granted for its administration. Undoubtedly these things must be examined very seriously, case by case, because the problem with privatizations is that radical positions are adopted like believing it is the cure for everything or like believing it is an evil that must be condemned. I do not believe in either position. It is necessary in some cases when we are talking about enterprises that are losing money for the country.

The aluminum complex problem is one of them. I am talking about the Guayana Aluminum Complex, the companies of which were always born out of mixed enterprises. The first company, which was Alcasa, started operating along with Reynolds. The second company, which was Venalum, was authorized during my administration and it started operating with Japanese capital. The Japanese contributed 80 percent and the Venezuelans contributed 20 percent. When I made the observation to the president of the Venezuelan Guayana Corporation, who was General Alfonso Ravard, he told

me that according to one of the points of the contract, Venezuela reserved the right to purchase all or part of the enterprise at inventory prices whenever it wanted. My successor, President Carlos Andres Perez, who at that time was excited over the idea of nationalizing everything, even presented me to the public as if I were a traitor because I accepted 80 percent Japanese capital.

### Distribution of Chamber of Deputies Seats Reported

*PA2812030593 Caracas EL UNIVERSAL in Spanish 26 Dec 93 p 1*

[Text] Although 189 seats in the Chamber of Deputies were at stake, the board proclaimed 195 winners. This is something that the CSE [Supreme Electoral Council] must explain.

| PARTY | NUMBER OF SEATS | PERCENTAGE |
|---|---|---|
| AD [Democratic Action] | 55 | 28.2 |
| Copei [Social Christian Party] | 52 | 26.6 |
| Radical Cause Party | 40 | 20.5 |
| MAS [Movement to Socialism] | 25 | 12.8 |
| National Convergence | 23 | 11.8 |

### Operations To Be Implemented in Border Zones

*PA2412014393 Caracas Venezolana de Television Network in Spanish 2350 GMT 22 Dec 93*

[From "The News" newscast]

[Text] The security cabinet has met at Miraflores Palace and decided to implement operations in the border security zones soon.

The issue had already been presented by the National Security and Defense Council, which has the prepared legal foundation that will operate in those zones to benefit rural producers, public order, and personal security in the border area.

The security cabinet has again analyzed Caracas' security problem due to the high crime rate registered during the pre-Christmas season.

[Begin General Orlando Hernandez Villegas, Caracas Metropolitan police commander, recording] The country's main problem—you journalists know—is the cordon of extreme poverty that surrounds the capital. This cordon already extends from the sea to Guarenas, and in those areas there are at least 1 million young people and some adults who have never had access to primary school education and who have no trade or craft training option.

With all these people living in very poor neighborhoods and having the most serious economic problems, if society does not train them in some kind of trade or craft, we are going to be facing an active volcano that will stoke daily more and more crime.

Solutions are not found by killing more people; solutions can be found by reforming the educational system to let these young people who have no primary school education acquire training as apprentices in some craft. [end recording]

General Hernandez said that the Metropolitan Police does not act as a bodyguard for any prominent person. At the end of the security cabinet meeting, the Armed Forces inspector general announced that the proceedings against the pilot who broke the sound barrier over Caracas on 27 November has been dismissed for humanitarian reasons; he said that more cases will be dismissed.

## Guyana

### Structural Adjustment Program Extended

*FL2712183993 Bridgetown CANA in English 1731 GMT 27 Dec 93*

[Text] Georgetown, Guyana, Dec 27, CANA—Guyana's structural adjustment programme with the International Monetary Fund (IMF) has been extended to February 1994, as discussions continue on a successor agreement, the government said. The programme ended December 20, and Guyana is required by March 31 to reach a successor agreement with the fund, probably a new three-year accord, as a condition of debt rescheduling granted by Paris Club creditors in May, 1993,

Finance Minister Asgar Ally expressed confidence the major donor countries will back a successor programme for Guyana despite recent criticism of the volume of grant-type financing to poorer countries.

An IMF mission visited here late October-November for consultations and to initiate work on a 1994 economic programme, which could be the basis for the successor agreement. An IMF negotiating mission is due here February, 1994.

Since entering a new IMF programme under the former Hoyte administration, Guyana has returned to economic growth with Gross Domestic Product increasing by 6.1 percent in 1991, and 7.7 percent in 1992 under market-led policies and restructuring of the public sector. The fund has provisionally estimated growth of 6-7 percent in 1993, but the government says the growth rate is expected to reach a post independence record of 8.3 percent

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